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Japan

Agreement on U.S. Dairy Produce Quotas Viewed

OW1609052392 Tokyo KYODO in English 0511 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Japan is expected to sign a three-year agreement Friday with the United States to expand its import quota for dairy products and starch, Japanese farm ministry sources said Wednesday.

The sources at the Agriculture, Forestry, and Fisheries Ministry said the agreement, to be signed in Washington, will be valid for three years from fiscal 1992, which started last April 1.

They said the pact will extend a 1988 provisional Japan-U.S. agreement on expansion of Japanese import quotas for such products.

The sources said that if the ongoing Uruguay Round of multilateral trade negotiations comes to an agreement on farm trade, that agreement is expected to supersede the Japan-U.S. pact.

Under the agreement, Japan will increase its imports of corn for starch production by 100,000 tons annually from the fiscal 1991 quota of 3.45 million tons, the sources said.

The agreement will also call for annual increases of 2,000 tons to 10,000 tons in the imports of four items of dairy produce including whey powder, a byproduct of cheese production which is used for animal feed, the sources said.

At the same time, Japan will reduce its tariffs on corn flake materials and other products under the agreement, the sources said.

Japan agreed with the U.S. in 1988 to impose a temporary import quota on starch and dairy products after the U.S. filed a complaint with the General Agreement on Tariffs and Trade (GATT) against Japan's import restrictions on those items.

Former Soviet Trade Credit Default Reported

OW1409141492 Tokyo KYODO in English 1350 GMT 14 Sep 92

[Text] Tokyo, Sept. 14 KYODO—Japanese trading houses face 1.36 billion U.S. dollars in delayed payments to their exports to the former Soviet Union, the Associaion for Trade with Russia and Central and East Europe said Monday.

The association said the delay in payments, which started around the autumn of 1989, are gradually rising, with missed payment deadlines on even some bank-guaranteed contracts.

After the collapse of the Soviet Union, the Russians and Japanese trading companies adopted such payment methods as advance payment and settlement of trade bills based on a letter of credit (l/c) guaranteed by Russian banks, it said.

The payments in arrears consist of short-term credits of less than a year, and medium- and long-term credits of a year and more.

For nine major and five second-tier trading concerns, the unpaid short-term credit primarily on consumption goods amounts to 680 million dollars, and the unpaid medium- and long-term credit, mainly for manufacturing plants, totals 650 million dollars.

Of the short-term credit defaults, 120 million dollars is covered by contracts based on an l/c.

Smaller trading concerns carry about 30 million dollars in short-term credit defaults.

Protest Lodged With Russia Over Island Leases

OW1609055392 Tokyo KYODO in English 0534 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Japan has filed a protest with Moscow following reports that Russia's Sakhalin provincial authority has granted a Hong Kong firm rights to develop part of Shikotan, a Russian-held island claimed by Japan, the government spokesman said Wednesday.

Chief Cabinet Secretary Koichi Kato said Japan would lodge a second protest if it confirms reports that an Austrian company may obtain a multimillion dollar contract to build a golf course on Kunashiri, another island in a group of four disputed islands.

In addition to Kunashiri and Shikotan, Japan lays claim to Etorofu, and the Habomai group of islets, which were seized by the Soviet Army at the end of World War II.

Sakhalin Vice Governor Viktor Sirenko reportedly said Tuesday that Russian authorities are considering accepting a 4.5 million dollar offer from the Austrian firm, Jasi Wien, to develop a resort on Kunashiri.

The Australian [as received] company is also negotiating for a similar site on the undisputed Russian island of Sakhalin.

Sirenko, in an interview published Tuesday in the daily IZVESTIYA newspaper, also said a decision would be made within two months on the contract with Hong Kong developers to lease land on Shikotan to build a resort that would include casinos, as well as cycling and dog racing tracks.

On Monday, Japan told Moscow that it cannot tolerate the contract because the island belongs to Japan, and Russia previously pledged to return the island as part of a 1956 agreement, a Foreign Ministry official said.

The development project would also upset former Japanese residents of the islands because the parcel of land includes their ancestors' grave sites, according to the Japanese protest.

"We have requested the Russian Foreign Ministry to send a clear message to the local authorities asking them not to proceed because it will complicate the territorial issue," said the official speaking on condition of anonymity.

Japan is demanding Moscow recognize its sovereignty over the four islands prior to conclusion of a peace treaty and providing full-scale economic assistance to Russia.

The official said the Russian Foreign Ministry had been unaware of the contract, but had agreed to relay Japan's sentiments to appropriate government officials in Sakhalin.

"The central authorities perhaps cannot do much about this," said the official, adding that it was Japan's policy to formally clarify its position on the disputed isles whenever such cases surface.

There have been rumors of proposed international joint ventures on the disputed islands in the past, but none of the potential projects came to fruition, possibly because they were regarded as unprofitable, the official said.

He expressed concern over reports that a Japanese national may be involved in the Hong Kong firm. If the reports are true, he said, it is likely that the individuals involved could be speculators seeking to acquire real estate in anticipation of the eventual return of the territory to Japan.

"Opening a casino is a wild idea. There are no casinos in all of eastern Hokkaido, so these people might be thinking of some other things," said the official.

Sirenko said in the interview with IZVESTIA that prosecutors and security officials are inspecting the contract, but they have not yet uncovered full details about the company.

According to reports, Carlson and Kaplan Ltd. of Hong Kong agreed to pay rent of 200 million rubles, or under 1 million dollars, to the Southern Kuril Executive Committee within two months of the signing of the contract. During the two months, the regional legal authorities will assess the legality of the agreement, the reports said.

The contract, signed September 4, stipulates that Carlson and Kaplan will pay 125 million dollars for a 50-year lease on 278 hectares of land on Shikotan Island, according to the reports.

LDP To Continue Linking Isles to Russian Aid

OW1609044492 Tokyo KYODO in English 0431 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—The ruling Liberal Democratic Party (LDP) vowed Wednesday to maintain its policy of linking settlement of a territorial dispute with substantial economic assistance to Russia.

The decision to continue tying the proposed aid to the return to Japan of four Russian-held islands off Hokkaido—or Russia's acknowledgement of Japanese sovereignty over the islands—comes in the wake of the sudden postponement of Russian President Boris Yeltsin's visit to Japan.

In a review of relations between Japan and Russia released the same day, the LDP expressed deep regret over the postponement of the visit and reiterated its resolve to "spearhead the Japanese people" to have Japanese sovereignty over the islands restored.

On Japan's diplomacy toward Russia, the LDP said the government should not change its basic stance and pledged the party's full support to the government to realize the return of the islands to Japan.

The LDP also called on the people to remain united in sticking to Japan's claim over the islands seized by the former Soviet Union at the end of World War II.

Last week, Yeltsin said in a telephone call to Prime Minister Kiichi Miyazawa that he decided to postpone his visit to Tokyo, initially planned from Sunday through Wednesday, for domestic reasons.

Germany's Genscher on Territory Dispute Prospect

OW1609094592 Tokyo KYODO in English 0911 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Former German Foreign Minister Hans-Dietrich Genscher on Wednesday said that Japan, as the designated host of the next Group of Seven (G-7) summit conference, is in an "advantageous" position vis-a-vis Russia in terms of resolving their territorial dispute, according to Foreign Ministry officials.

Genscher, who arrived in Japan on Monday for a five-day (?visit) made the remarks in talks with Foreign Minister Michio Watanabe, the officials said.

He told Watanabe Japan is in a strong political position relative to Russia since Tokyo will host next July's summit meeting of the world's seven major economic powers. After the summit, Russian President Boris Yeltsin hopes to hold talks with the seven leaders as he did at the last G-7 summit in London.

"President Yeltsin wants to see to it that Russia is not isolated and that it is treated as an important country on the international stage," Genscher was quoted as saying.

Genscher doubted it would hurt the Russian leader domestically if he were to take action conducive to settlement of a bilateral territorial dispute and said diplomatic success on the issue would work to his advantage.

He told the Japanese foreign minister that despite Yeltsin's abrupt postponement of his visit to Japan, which had been set to begin last Sunday, the two countries' dispute over four Russian-held islands will likely be settled "in the not too distant future."

Genscher, who last visited Japan in February as foreign minister, is scheduled to meet Prime Minister Kiichi Miyazawa on Tuesday and deliver a lecture at a YOMIURI SHIMBUN-sponsored symposium on "the Unification of Europe and the World."

Miyazawa Seeks Expanded Relations With Russia

OW1609072892 Tokyo KYODO in English 0706 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Prime Minister Kiichi Miyazawa said Wednesday [16 September] Japan will keep seeking expanded relations with Russia despite the abrupt postponement last week of President Boris Yeltsin's visit to Japan.

Speaking at a meeting of government and Liberal Democratic Party (LDP) leaders, Miyazawa said Japan "must bring forward and resolve the Sakhalin development projects and the territorial issues."

LDP Secretary General Tamisuke Watanuki urged Miyazawa to take care not to split public opinion over Japan's relations with Russia.

On domestic economic issues, Miyazawa gave a grim outlook for quick recovery, saying the government "will continue to make efforts as the current economic conditions need to be dealt with in the long term."

Says Policy Remains Unchanged

OW1609143792 Tokyo KYODO in English 1419 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Prime Minister Kiichi Miyazawa on Wednesday said the government will try to improve Russo-Japanese relations despite Russian President Boris Yeltsin's abrupt cancellation of his Tokyo visit last week, party sources said.

At a meeting with senior advisers of the ruling Liberal Democratic Party in Tokyo, Miyazawa also said the government will maintain its policy that political and economic issues are inseparable.

Miyazawa said that although the postponement was regrettable, the government will proceed with its usual policy toward Russia, the sources said.

The prime minister said a meeting between Foreign Minister Michio Watanabe and his Russian counterpart Andrey Kozyrev in New York slated for later this month will be the first opportunity to improve the stalled bilateral relations, but added he is not optimistic about the meeting.

Senior party advisers present at the meeting with Miyazawa included former Prime Minister Yasuhiro Nakasone and former party Vice President Susumu Nikaido. Former Premiers Takeo Fukuda and Noboru Takeshita were not present.

Nakasone said the government should maintain diplomatic efforts over the territorial row between Japan and Russia until the Group of Seven summit meeting in Tokyo next year, given that the dispute was incorporated into a political declaration adopted at the G-7 summit in Munich this year, the sources said.

Russian Negligence in Nuclear Disposal Alleged

OW1609103692 Tokyo NHK General Television Network in Japanese 1200 GMT 14 Sep 92

[Editorial Report] Tokyo NHK General Television Network in Japanese in its "NHK 21 News" program at 1200 GMT on 14 September carries a report relating to problems with the "slovenly" methods the Russian Navy uses to dispose of its scrapped nuclear submarines.

Newscaster Tadashi Sonoda begins the report: "Now we would like to report to you regarding problems with nuclear controls, as practiced by the former Soviet Union. The carelessness of the former Soviet Union's control of nuclear arms and nuclear reactors is turning into an international issue—for instance last spring, it was discovered that several thousand tons of nuclear waste, as well as nuclear submarines with nuclear fuel in them, were abandoned south of the Arctic Ocean. While such is the situation, NHK recently obtained a photograph of a nuclear submarine which was left abandoned in the water since it exploded in an accident at a port near Vladivostok seven years ago.

"This accident was caused by the explosion of a nuclear reactor. It happened in a nuclear submarine repair yard near Vladivostok on 10 August 1985. Ten men were killed and adjacent areas were contaminated with radiation."

Video cuts to a black-and-white photo of a submarine, in front of which stands a uniformed soldier with what looks like a geiger counter.

While the picture is on, the voice of an announcer says: "This is a photograph of a nuclear submarine whose reactor exploded in an accident. A steel deck which should have been on top of the nuclear reactor was blown off in the explosion. The submarine was left abandoned with a large hole in it."

Video alternately shows scenes of the repair yard as it looks now and maps showing the general area of the repair yard—the announcer continues to report: "The explosion occurred seven years ago in August 1985, while in the process of changing nuclear fuel at a repair yard in (Chajima) Bay between Vladivostok and Nakhodka. The accident killed 10 and resulted in a large leakage of radiation."

"An area 6 km long and 1.5 km wide southwest of the site of the accident has been off limits until now, and the details of the accident are not known. This photo was taken in December of last year, and the submarine was shown abandoned, with its nuclear reactor left inside. In the port of Vladivostok, other nuclear submarines that have been involved in accidents are simply docked with buoys attached to them. It is clear that the controls practiced by the Russian Pacific Fleet are extremely slovenly."

Newscaster Sonoda returns to video, and says: "According to NHK's Vladivostok office, this is not the only submarine which had an accident involving an explosion which was left abandoned. While the East and the West proceed with efforts to reduce nuclear arms, what are they doing about nuclear submarines which are being scrapped because of their age? You will hear a report on that question from reporter Yamauchi."

Reporter Yamauchi himself does not appear on screen, but his voice explains, while video shows scenes of a shipyard: "This is the only yard in the Far East where the dismantling of nuclear submarines is done, and this is not so far away from the site where that submarine exploded. Right now in this yard, operations are underway to take nuclear reactors out of nuclear submarines that are being scrapped. The dismantling is done according to the following steps— dissecting the submarines into several parts, taking nuclear fuel out of the parts holding the nuclear reactor, and then sealing the reactors. The reactors are then taken out and docked at sea, floating with buoys attached, just as is done with other parts.

"The problem is that the Pacific Fleet has no facilities for burying such nuclear reactors. This yard is supposed to dismantle a total of 35 nuclear submarines, but so far has been able to dismantle only 18—or about half of them. Because of serious financial difficulties, it can dismantle only one per year. Consequently, the remaining 17 submarines are waiting for their turn with nuclear fuel loaded on board, and in the meantime more than 1,200 security personnel have to be assigned for the security of the nuclear reactors on these submarines. These problems of financial difficulties and manpower for security are making safety controls for nuclear reactors very difficult."

Video then shows Smirnov, the Russian Pacific Fleet Submarine Division head, talking in an interview with NHK [translated from Japanese subtitles]: "We are now constructing facilities to store nuclear reactors which have been removed. But until these facilities are completed, there is no other choice but to leave the separated nuclear reactors floating at sea."

The black-and-white photo of the submarine involved in the explosion briefly returns to the screen. While the photo is on screen the announcer continues speaking: "Reports on accidents involving submarines or on how the nuclear reactors are disposed of are almost never given to residents in general. Neither detailed investigations on radiation contamination nor physical checkups on residents have been done."

Video cuts to scenes of interviews. A Russian woman says [translated from subtitles given in Japanese]: "I have learned about the accident involving the explosion of the nuclear reactor for the first time, and I am very much concerned about possible effects from it."

Another Russian woman says: "The disposal of nuclear reactors should be done more cautiously. They are doing things haphazardly."

A man identified as Tsoi, director of the Coastal Area Environmental Center insists: "It is very dangerous to store nuclear reactors at sea. That is because there is the possibility that radiation contamination will spread very rapidly. The radiation will contaminate living things in the sea, thus affecting the human beings that eat them. Radiation contamination thus affects not only the environment but also human beings."

Video switches to a map of the Russian Far East area, and the announcer continues to explain: "In the Far East there are four places where dismantled nuclear submarines are left abandoned with nuclear reactors on them—at the outskirts of Vladisvostok, Kamchatka, the Khabarovsk area and so forth."

Video shows a uniformed Russian officer identified as Captain Chelevkov in an interview. The offier says [translated from Japanese subtitles]: "In the Russian Pacific Fleet, the problem of manpower shortages has become serious. The state is such that we do not have enough men for assignment to dismantle nuclear submarines. As such, it is possible that the disposal of radioactive wastes will become even more slovenly in the future. We cannot deny the possibility of new explosions and radiation leaks occurring in the future."

Reporter Yamauchi appears on video. Reporting from Vladivostok, he says: "The Russian Pacific Fleet—which has so many nuclear submarines assigned to it—does not even have basic facilities for the disposal of nuclear reactors. This fact can be said to prove that Russia has not adequately prepared to cope with speedy progress in agreements on nuclear arms reductions between the East and the West."

Newscaster Sonoda in the Tokyo studio returns to the screen and says: "What we saw is that the problem of nuclear reactor disposal in the former Soviet Union is something that transcends the capabilities of Russia—one country—by itself."

Tokyo, Beijing To Agree on Desulfurization Test

OW1409130792 Tokyo KYODO in English 1237 GMT 14 Sep 92

[Text] Tokyo, Sept. 14 KYODO—Japan and China will enter into an agreement Wednesday to carry out joint

proof tests on desulfurization equipment for coal, officials of the Agency of Natural Resources and energy said Monday.

The tests, aimed at preventing thermal power plants in China from polluting the air with sulfur oxide, is part of Japan's international initiative on the environment and energy, the green aid plan.

The two nations agreed to the plan during International Trade and Industry Minister Kozo Watanabe's visit to China in April, the officials of the arm of the Ministry of International Trade and Industry said.

Under the agreement, which runs from fiscal 1992 to fiscal 2000, Japan will provide equipment and technology worth 7.3 billion yen for the tests, they said.

Electric Power Development Co., affiliated with the ministry, will carry out the tests on commission, first in Quingdao in Shandong Province, using a simple desulfurization method, which is expected to cut the sulfur content of coal emissions by 50 to 70 percent, they said.

A test run of the first desulfurization equipment is to begin in fiscal 1994, which starts in April 1994, they said. Details have yet to be decided for the second test, they said.

China has a target of generating up to 240 million kilowatts of electricity in 2000, compared with 127 million kilowatts now, to meet increasing demand, but remains far behind in introducing desulfurization equipment, they said.

Peacekeeping Team Departs for Angola 16 Sep

OW1609055092 Tokyo KYODO in English 0526 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—A Japanese team joining UN peacekeeping activities in Angola left Tokyo on Wednesday to monitor Angolan national elections.

The dispatch of the three-member team is the first application of the UN Peacekeeping Cooperation Law, which was passed in June.

The mission will arrive in the Angolan capital of Luanda on Friday and plans to monitor the presidential and parliamentary elections September 29 and 30 before returning home October 7.

Mission leader Yuzo Sekigawa said, "It is an honor to take part in the first democratic election in Angolan history as the (Japanese) peacekeeping mission."

The United Nations asked Japan in early July to send election monitoring personnel to Angola.

The Angolan Government and the U.S.-backed guerrilla group UNITA signed a peace accord in May 1991 ending 16 years of civil war.

Prosecutors Discuss Donation to Shin Kanemaru

OW1509124892 Tokyo KYODO in English 1053 GMT 15 Sep 92

[Text] Tokyo, Sept. 15 KYODO—Prosecutors suspect the undeclared 500 million yen donation to ruling party strongman Shin Kanemaru was distributed to 60 candidates in the political faction he heads before the 1990 lower house election, sources said Tuesday.

Kanemaru, head of the biggest faction of the Liberal Democratic Party (LDP), plans to submit a written report to prosecutors on the money he received from Tokyo Sagawa Kyubin Co., the sources said.

But the Tokyo district prosecutors' office plans to continue asking Kanemaru to appear for questioning because prosecutors suspect the donation was for Kanemaru himself, in violation of the Political Funds Law, the sources said.

If the 77-year-old politician continues refusing to appear for questioning, prosecutors plan to bring him to court, the sources said.

Kanemaru reportedly demanded Hiroyasu Watanabe, former president of the defunct Tokyo Sagawa Kyubin, to provide campaign funds for the February 1990 House of Representatives election.

Watanabe allegedly handed the 500 million yen to a Kanemaru aide shortly before the election campain was officially proclaimed.

Kanemaru resigned August 27 as LDP vice president, admitting he received the 500 million yen from Watanabe as a "goodwill gift."

The powerful backstage political leader told reporters Watanabe offered donations before the general election but that he turned down the offer. Several weeks later, Kanemaru said, an aide told him Watanabe had sent the 500 million yen to his office.

But prosecutors suspect Kanemaru recognized the money as a donation to himself as head of the faction founded by former Prime Minister Noboru Takeshita, the sources said.

The Political Funds Control Law prohibits politicians from receiving 1.5 million yen or more a year from any individual and carries fines up to 200,000 yen.

Watanabe, 58, has been indicted on charges of aggravated breach of trust for inflicting financial damage on the trucking firm, which has since merged into the giant Kyoto-based Sagawa Kyubin Group.

Ozawa Cancels Trips Due to Sagawa Scandal

OW1609050692 Tokyo KYODO in English 0455 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Former Liberal Democratic Party (LDP) secretary general Ichiro Ozawa has

canceled a trip to the United States and Europe because of developments in the Tokyo Sagawa Kyubin money scandal, his aides said Wednesday.

Ozawa was scheduled to leave Tokyo on Friday to attend a meeting on grass-roots exchanges in the U.S.

Ozawa has decided to cancel the trip because of growing tension between prosecutors and his political mentor, former LDP Vice President Shin Kanemaru.

Kanemaru has rejected the prosecutors' request to appear before them to explain a donation of 500 million yen he has admitted receiving from the scandal-ridden Tokyo Sagawa Kyubin Co., which has since merged into Sagawa Kyubin Co.

Kanemaru, head of the LDP's largest faction founded by former Prime Minister Noboru Takeshita, resigned as LDP vice president on August 27 after acknowledging he received the money in 1990.

'News Focus' Discusses Political Scandals

OW1609063192 Tokyo KYODO in English 0600 GMT 16 Sep 92

["News Focus"]

[Text] Tokyo, Sept. 16 KYODO—Japanese prosecutors sent waves of profound shock across the country when they arrested former Prime Minister Kakuei Tanaka in July 1976 in the Lockheed payoff scandal.

Sixteen years after that incident, which then Prime Minister Takeo Miki described as the most serious crisis since the founding of the Liberal Democratic Party (LDP), the LDP is in the throes of yet another major scandal that could disintegrate the largest faction in the party.

Japanese people were as much astonished by the arrest of Tanaka, who was called the "Shadowy Shogun" for wielding political power from behind the scenes, as by the 500 million yen bribe he was later convicted of taking from the American aircraft maker Lockheed Corp. through Marubeni Corp., a Japanese trading firm engaged in the sale of Lockheed Tristar commercial jetliners.

Tanaka's arrest jolted the nation like no other incident in Japan in the years after World War II.

The latest scandal involves the Sagawa Kyubin group of companies, which grew from being a modern version of a fleet-footed carrier of feudal Japan to the nation's third-largest trucking company.

The Tokyo District Public Prosecutors' Office has so far indicted Hiroyasu Watanabe, former president of the group's defunct Tokyo Sagawa Kyubin Co., and three others for causing financial damage to the company by issuing loans and loan guarantees totaling 527.8 billion yen to 58 firms and 26 individuals, some of them connected with organized crime.

Prosecutors are shifting their attention to Watanabe's ties to political figures.

On August 27, LDP power broker Shin Kanemaru publicly admitted he received 500 million yen from Watanabe in 1990 and rocked the political world by announcing his resignation as party vice president.

The Lockheed incident was not the first major money scandal involving politicians in postwar Japan. Previously, politicians were put behind bars in bribery cases concerning government loans and subsidies to fertilizer, coal mining, shipping and shipbuilding companies.

After Lockheed, politicians have also either been arrested or questioned on their roles in cases such as the Japanese Government purchase of U.S. jet fighters, stocks-for-favors in the Recruit scandal, and an alleged bribery involving bankrupt steel-frame maker Kyowa Co.

There is a resemblance, however, between the Lockheed and Tokyo Sagawa Kyubin scandals.

Tanaka, 74, and Kanemaru, who turns 78 Thursday, were once very close, with the latter working as a loyal aide to the former. The breakup in their relations came in 1985 when Kanemaru played a pivotal role in the revolt of Tanaka faction members and their subsequent formation of the faction under Noboru Takeshita.

Takeshita later became prime minister and Kanemaru took over the faction on Takeshita's behalf. This made Kanemaru the most powerful kingmaker within the ruling party by virtue of the fact that the Takeshita faction is the largest LDP faction.

Signs of discord are emerging from the faction following Kanemaru's resignation as party vice president, leading some political commentators to surmise that the previously tight knit group may break up.

The Lockheed and Tokyo Sagawa Kyubin scandals both came to light through probes into other matters—in the case of Lockheed a U.S. Senate subcommittee hearing on American corporate business activities abroad, and in the Tokyo Sagawa Kyubin case 250 billion yen in loans and loan guarantees to the head of a gangster organization.

Prosecutors could not have arrested Tanaka in 1976 without the information they received from the United States. They also could not have taken Tokyo Sagawa Kyubin's Watanabe into custody if legal action were not brought against him last year for financially hurting his former company.

The Lockheed scandal was a bribery case, pure and simple. It may be harder, however, to prove this in the Tokyo Sagawa Kyubin affair.

Under the law, the prosecution can only bring bribery charges against politicians who held government posts

and received money from business people or corporate firms over whom they had direct administrative authority.

Tanaka is still appealing to the Supreme Court against his four-year jail sentence handed down by the Tokyo District Court and upheld by the Tokyo High Court.

Watanabe, who has been denied release on bail since his arrest in February this year, reportedly told prosecutors he gave 2.1 billion yen to 11 LDP Diet members, including former prime ministers and one former opposition party head.

In a related case, Kiyoshi Kaneko formally quit as governor of Niigata Prefecture on September 9 after acknowledging receipt of 100 million yen from the Sagawa Kyubin Group in 1989 when he ran for the gubernatorial election.

Although Kanemaru said he received 500 million yen, he did not report it to the Home Affairs Ministry as required by law. The ministry's records showed Kanemaru reported receiving a total of 240 million yen in donations that year, with no mention of the Tokyo Sagawa Kyubin money. This may give the prosecution grounds to file criminal charges against Kanemaru himself or his secretary for making false reports.

A part or the full story on how many politicians were actually involved in the latest scandal may emerge when the prosecution presents its arraignment when Watanabe goes to trial next Tuesday on charges of aggravated breach of trust. He could be sentenced to a maximum of seven years' iprisonment or fined 3 million yen.

Miyazawa Says Bundesbank's Rate Cut Too Small

OW1609044592 Tokyo KYODO in English 0432 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Prime Minister Kiichi Miyazawa said Wednesday that he was disappointed with the size of Germany's cut in its official discount rate, describing Monday's 0.5 percentage point reduction as "too small."

Speaking to a group of Japanese reporters, the premier said he understands the German central bank "had to make a difficult choice, with the mark solely maintaining high appreciation against the other major world currencies."

"Even so, the scale of the rate cut was very small," Miyazawa added.

When asked whether Japan would come under pressure to cut its own official discount rate as a result of Germany's rate cut, Miyazawa simply said he would have to see.

BOJ's Mieno Dismisses Rate Cut Speculation

OW1609073492 Tokyo KYODO in English 0720 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno on Wednesday [16 September] squashed speculation the recent credit relaxation by Germany will prod Japan into following suit.

The German move will "have no direct impact on Japan's monetary policy," Mieno told a press conference, adding the central bank will monitor how the series of past interest rate cuts work on the economy.

The central bank chief applauded the German rate cut as "helping stabilize international currency markets."

The Bundesbank, Germany's central bank, cut key interest rates Monday, taking a surprising about-face from its fiercely anti-inflationary monetary stance.

Mieno also described the Japanese economy as "in a severe adjustment phase," but voiced optimism over the future course of the economy.

"The economy will pick up steam as inventories are steadily being reduced," he said.

"Recovery momentum is already building in the private-sector economy. I don't think the economy will suffer another downturn," Mieno said.

The momentum, he said, will lead to economic growth that will be accompanied by little inflationary pressure.

Says Recovery Taking Shape

OW1609082792 Tokyo KYODO in English 0759 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Wednesday [16 September] the conditions for an economic upturn are taking shape gradually, suggesting he believes the economy will bottom out soon.

Mieno admitted at a press conference the BOJ's quarterly survey of business sentiment released last week gave a renewed signal that economic conditions are quite weak.

The survey, known as "tankan," showed business confidence was as low as it was during the recession following the second oil crisis.

But Mieno said the expectations among major companies of a pickup in the business confidence index by the next survey are "a phenomenon usually observed when the economy is approaching the bottom."

Although adjustments will continue for a while, the central banker said, "the foundation for a recovery is taking shape, albeit very gradually."

While conceding the inventory adjustments have been slower than expected, Mieno said most leading companies surveyed for the tankan believe they will be able to cut their stockpiles down to size before long.

The pace of expansion of capital investment is also approaching the level "that is consistent with a sustainable economic growth," he said.

Given the huge stimulus stemming from the 10.7 trillion yen economic rescue package adopted at the end of August and the cumulative effects of the monetary easing since July 1991, Mieno said, "We can say the economy is not off the track toward sustainable growth without inflation."

Mieno welcomed the Bundesbank's interest rate cuts Monday as a step toward easing tension in the European monetary system, but said the German credit easing will not have any significant, direct impact on Japan's monetary policy.

Mieno stressed the BOJ fully anticipated the bad readings in the tankan survey when it cut the official discount rate in late July.

The Japanese central bank will keep a close eye on the effects of the past monetary easing and the fiscal package on the real economy, he said.

He also said Japan's trade surplus will not diminish any time soon, but claimed the current amount of surplus—about 3 percent of the nation's gross national product—is not a major destabilizing factor for the world economy.

Mieno said Japan's growing trade surplus is a combination of firm exports and weak imports.

As the economy will remain weak for the time being, imports are unlikely to start picking up soon, he said.

"The surplus of the current size will continue for a while," Mieno said.

But he said as the economy recovers, imports will eventually increase and the trade surplus will fall.

Mieno reiterated the yen should stabilize in an upward direction and more steps should be taken to open Japanese markets to reduce the surplus.

Asked about a proposed institute to buy land held by banks as collateral against bad loans, Mieno said the BOJ is not considering supplying loans to the agency.

Easing Employment Subsidy Regulations Proposed

OW1609115792 Tokyo KYODO in English 0937 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—A government panel recommended Wednesday the government ease regulations on the employment adjustment subsidy to alleviate the burden of personnel costs shouldered by corporations amid economic stagnation.

The Labor Ministry's Central Employment Security Council said the recommendation was made to Labor Minister Tetsuo Kondo Wednesday.

The council said the recommendation also is designed to prevent an increase in jobless workers as Japan's economic slowdown drags on.

The subsidy in question is given to corporations temporarily laying off employees to survive economic difficulties.

Under the present procedures, corporations with production, sales and employment indexes in the recent three months falling more than 5.0 percent from a year earlier are eligible for the subsidy.

The council said the regulations will be eased for one year starting October 1 as a temporary step and corporations with excess employees will be eligible for the subsidy.

Labor Ministry officials said the council's recommendation will encourage corporations to refrain from reducing their work force.

The officials said about seven industries, including the steel industry, have sounded out the government on the possibility of seeking the subsidy, and the number is expected to increase to about 15, they said.

The government paid about 40 billion yen in subsidies to as many as 165 industries in fiscal 1987 when Japanese companies suffered from a steep appreciation of the yen, the officials said.

Farm Ministry: Growth in Rice Output Levels Off

OW1209061992 Tokyo KYODO in English 0542 GMT 12 Sep 92

[Text] Tokyo, Sept. 12 KYODO—The annual growth rate of rice production per unit area has leveled off since 1984, making it difficult for the government to attain its long-term output growth target, Farm Ministry officials said Saturday.

The officials of the Ministry of Agriculture, Forestry and Fisheries said the ministry will conduct a survey on 60,000 farming households next year to determine the production growth trend.

They said rice production per one square kilometer (10 ares) has remained almost unchanged at about 500 kilograms since 1984.

Rice output per 10 ares had grown from 340 kilograms in 1956 to 517 kilograms in 1984, they said.

The ministry's long-term projection forecast output at 517 kilograms per 10 ares by the year 2000.

The ministry officials speculated that farmers have switched emphasis from quantity to quality to meet the changing desires of consumers.

Petroleum Industry Objects to Environment Tax

OW1609094792 Tokyo KYODO in English 0837 GMT 16 Sep 92

[Text] Tokyo, Sept. 16 KYODO—The Petroleum Association of Japan decided Wednesday to oppose the planned introduction of an environment tax in tax revision measures in fiscal 1993, starting next April, association officials said.

The Japanese oil industry organization will shortly submit a petition including the objection to the ruling Liberal Democratic Party and the Finance Ministry.

Introduction of an environment tax has been spotlighted to create a fund to cut carbon dioxide emissions, which are said to be a cause of global warming.

Yasuoki Takeuchi, president of the association and chairman of Nippon Oil Co., said, "the amount of carbon dioxide exhaust from Japan is about 5 percent of the world's total. We should continue keeping a careful eye on other Western nations' stance on the issue."

The association will also call for the government to lift a temporary tax on gasoline sales and light oil transactions. The five-year tax system will expire next March.

North Korea

Eighth Round of North-South Premiers Talks Opens

South's 'Independent Stance' Urged

SK1509103692 Pyongyang Korean Central Broadcasting Network in Korean 0020 GMT 13 Sep 92

[NODONG SINMUN 13 September commentary: "The South Should Take an Independent Stance at Talks"]

[Text] Both the North and South have made a good start to improve their relations and open a new road to peaceful reunification by effectuating the agreement on reconciliation, nonaggression, and cooperation and exchange and the joint declaration on denuclearizing the Korean peninsula—which becomes a milestone for the country's peace and peaceful reunification—at the sixth North-South high-level talks held in Pyongyang last February.

However, despite the passage of over six months since the historic North-South agreement and joint denuclearization declaration were effectuated and four months since the seventh North-South high level talks were held, with the eighth North-South high level talks only a few days away, no progress worth mentioning has been made in implementing the documents of the North-South agreement.

As is known, in the seventh North-South high-level talks the two sides agreed to work out the supplementary agreement on North-South reconciliation before the eighth talks are held; to inaugurate the joint committee for North-South reconciliation; to draw up the supplementary agreements on nonaggression and cooperation and exchange by 1 September and 5 September respectively; and to exchange old parents visiting groups and art troupes on the 47th anniversary of the fatherland's liberation.

Accordingly, the subcommittee and joint committee meetings and the Red Cross working delegates' contacts were held on many occasions in Panmunjom. Most of these meetings, however, ended without success and failed to agree on and formulate the supplementary agreements. The work of exchanging old parents visiting groups and art troupes which both sides agreed to conduct as a special work for the implementation of the North-South agreement was frustrated.

This is totally attributable to the South's insincere and wrong stance and attitude to intentionally delay the fulfillment of the North-South agreement.

Proceeding from the stance of sincerely fulfilling the North-South agreement and the documents agreed at the seventh North-South high-level talks, our side made every effort to live up to the nation's expectation by presenting the most reasonable and fair supplementary agreements as well as new counterproposals to bring a breakthrough whenever they were about to end in a failure.

Nevertheless, the South side came to the subcommittee and joint committee meetings with absurd issues and unfair preconditions and continued to stick to the delaying tactics by creating artificial obstacles in discussing the issues.

The South side's stance and attitude to delay and avoid implementing the documents of the North-South agreement is unthinkable apart from the U.S. interference and pressure and the South Korean authorities' flunkeyist treacherous idea of relying on outside forces.

Although the United States said in words that it welcomed the North-South agreement when it was adopted, it in fact instigated and pressured the South Korean authorities to delay implementing the agreement.

It is an open secret that U.S. President Bush himself flew to South Korea early this year and ordered the South Korean authorities to withhold implementing the agreement, criticizing them for hastily adopting it before the North's nuclear issue was resolved.

Meanwhile, the United States, while striking up the old and stereotyped tune of the threat of a southward invasion from the North and military superiority, went so far as to raise in the U.S. Congress the brigandish sophism that the U.S. forces should continue to stay in South

Korea as a so-called deterrent. If the North-South agreement is implemented and, thus, if nonaggression is realized, the U.S. forces will find no excuse to remain in South Korea. Therefore, it is needless to say that this is a maneuver to make an excuse to block the agreement from being implemented at any cost, to maintain a confrontational status, and to justify the U.S. policy of permanently occupying South Korea and converting it into a military base.

The present rulers of South Korea, inspired by their U.S. boss, held a so-called party-government consultative meeting. At the meeting, they discussed the so-called nuclear issue of the North, openly declaring that it is their policy not to hasten the implementation of the agreement. Even in the meeting of ministers concerned with unification that was convened right after this, they declared their reservation about the implementation of the agreement, making our nuclear issue a precondition for progress in North-South relations. They also held working-level security meetings and high-level strategic meetings for North-South relations in succession with their U.S. and Japanese masters. In these meetings, clamoring about mutual nuclear inspection between the North and the South, they discussed strong measures against us and made a commotion of sending us the prime minister's telephone message about this.

Following the U.S. strategy of aggression, the South Korean authorities rejected our proposal to jointly cope with the issue of comfort women for the old Japanese army and the issue of Japan's attempt for nuclear armament. They viciously kicked up a nuclear commotion along with Japan against fellow countrymen. They, who were in a gang with foreign forces, attended the meetings of the Joint Nuclear Control Commission without a draft annexed agreement for the implementation of the joint declaration on denuclearization. They not only prevented us from discussing the issues but also schemed by all means to exclude the U.S. nuclear bases and nuclear weapons from inspections, clamoring about inspection of an equal number of sites, about special inspections, and about inspection of military bases.

The South Korean authorities assumed such an insincere position to delay the implementation of the joint declaration of denulearization, even at the meetings of other subcommittees and, thus, delayed the finalization of annexed agreements by categories. As a result, even the joint committees for different categories formed as a result of the seventh round of the North-South high-level talks have faced the abnormal situation of being unable to operate because of the failure to finalize the annexed agreements specifying their activities.

The South Korean authorities' maneuvers to delay and evade the implementation of the North-South agreement have been extensively revealed not only because of their large-scale nuclear war exercise for a northward invasion along with the United States and because of the buildup of armed forces, but also because they said they would resume the Team Spirit joint military exercise next year and because they staged the provocative Focus Lens joint military exercise some time ago under the pretext of filling the gap between the intervals of these two military exercises.

All these facts show that the South Korean authorities have failed to free themselves from their policy of relying on foreign forces, made the North-South agreement a piece of paper as instructed by their boss, and are attempting to turn the situation on the Korean peninsula from detente, reconciliation, unity, and reunification back to the original point of distrust and confrontation before the agreement was adopted.

Part of the basic spirit of the North-South agreement is the spirit of national independence, in which the North and the South should pool the strength of the fellow countrymen and solve problems independently and without depending on foreign forces. If one relies on foreign forces and allows their interference, as the South Korean authorities do today while the country remains divided into the North and the South, one cannot be considered as having a stance for reconciliation and reunification. Such a position and stance make it not only impossible to properly implement the agreements reached between the two sides but also difficult to have a responsible and trustworthy dialogue.

The North-South agreement and the joint declaration on denuclearization are the nation's common gains achieved on the road of struggle for national reunification and are not an empty promise. That the South Korean authorities are trying to delay and avoid the implementation of the agreement and the declaration and are following foreign forces, despite their promise before the entire nation, is a breach of faith against us and a challenge to the entire nation and world public opinion.

All fellow countrymen unanimously want to see the North-South agreement and the joint declaration on denuclearization—which were solemnly vowed before the nation and made public to the world—implemented soon so that the door of reuification will be opened.

Particularly important in the North-South talks is the position and stance toward the talks. Therefore, so long as the South side maintains the current wrong position and stance of relying on foreign forces, it is impossible to produce good results in the talks. It entirely depends on the South side's attitude whether the annexed agreements are adopted and effectuated and whether a joint committee of reconciliation is inaugurated, as already agreed, at the upcoming eighth round of the North-South high-level talks.

If the South side truly wants to open the road of the country's peace and reunification with reconciliation, nonaggression, and cooperation and exchange, it should discard its antireunification stance of depending on foreign forces and come to the talks based on the position of independence.

Yon Hyong-muk Hosts Banquet

SK1609025592 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Sep 92

[Text] DPRK Premier Yon Hyong-muk hosted a banquet yesterday at the People's Palace of Culture for the South side's delegation which arrived in Pyongyang to attend the eighth North-South high-level talks.

The members of the South side's delegation with Prime Minister Chong Won-sik as the chief delegate and suite members and reporters were invited to the banquet.

Present at the banquet were the members of the North side's delegation to the North-South high-level talks; Finance Minister Yun Ki-chong; Education Commission chairman Choe Ki-yong; Commerce Minister Han Chang-kun; Chong Mun-san, director of the Secretariat of the Administration Council; and officials of labor organizations and educational, cultural, and publication and press organizations.

Premier Yon Hyong-muk spoke at the banquet. He first warmly welcomed the South side's delegation, suite members, and reporters who had come to Pyongyang to attend the North-South high-level talks.

He said: Even though they are happy today, the people in the northern half of the Republic have confidence in tomorrow when they will lead more abundant and happier lives. All of them work filled with hope and optimism.

He also said: In Pyongyang, the reunification road was newly built, and tens of thousands of modern houses were built. As a result, the city's appearance has become grander and more luxurious, and the housing problem has been solved more satisfactorily. The citizens are happy about this.

He also said that in the northern half of the Republic, which is politically the most stable in the world and where all fields of social life, including economic and cultural fields, are equally developing substantially, miracles and innovations are daily being created everywhere. He added: Walking along the road of socialism of our own style, the single road of chuche, which we ourselves have chosen, is our Republic's magnificent appearance.

He stressed that this is a valuable fruition of the facts that the Government of the Republic has implemented the chuche idea, thus maintaining the firm policy of independence, that the entire society is single-mindedly united on a single idea, and that all the people enthusiastically love and glorify socialism of our own style.

He also said that countries and nations must live in their right senses and think and act independently, stressing that one can satisfactorily solve the problem of guaranteeing peace in the country and achieving the fatherland's reunification only when one maintains independence.

He also said that our fellow countrymen, who are main forces for the fatherland's reunification and who have acute interests in reunification, must fulfill their responsibility and role as masters in resolving the reunification issue. He added that it was of heavy significance that the sides have brought the North-South agreement into effect.

Referring to the fact that in the agreement, the North and South pledged to resolve the issue of reunifying the country independently, he said that no outside force should be allowed to influence the talks, which should be held independently according to the independent will of the North and South.

He continued to say that if one side depends on outside forces or follows them, bereft of the spirit of national independence and wedded to flunkeyist tendencies, it will negate of its own accord its position as a dialogue partner. This will affect our talks and make it impossible to properly implement the agreement.

If this is the case, our nation will not be able to realize its own intent and demand for reunification and will eternally fall prey to outside forces. He said that if the agreement is not smoothly implemented, the only ones gaining will be outside forces and the only ones suffering will be our nation.

He said that adhering to independence is a fundamental key to pioneering the reunification's future and the nation's fate. He said that even though one talks about recognizing one's entity, about relations between states, and so on, if independence is not established, a true entity cannot exist. He said: It allows interference by outside forces, and justifies antireunification talk and actions that run counter to public opinion. It also acknowledges one's attempt to rationalize the two Koreas.

He said that it is intolerable for us, who are descendants of a unitary nation which is very rare in this world, to have the unfortunate fate of having to live in the only divided nation in this world. He emphasized that we must unveil the darkness of division and embrace a new day for reunification in whatever way.

He said that to achieve this we must have effective talks which should lead to reunification tomorrow and thus work out annexed agreements in various domains at an early date and proclaim to the whole world the operation of the joint committees. He expressed the expectation that the talks being held at this time will contribute to such success, and practically contribute to the fatherland's peace and reunification.

He said that whether our talks are successful or not depends on whether the North and South take the steadfast stand of placing national interest above ideology and seeking reunification, not division. He continued to say that from this point of view, the North side's delegation will do all it can in the future, too, as it has in the past.

In conclusion, he said that he has firm faith that the eighth round of North-South high-level talks will also be significant, opening a new phase in reconciliation, peace, and cooperation.

Prime Minister Chong Won-sik, the chief delegate of the South side, then made a speech. He said that he was happy to visit Pyongyang for the eighth round of North-South high-level talks and to meet people. He expressed the hope that all the obstacles that delayed the implementation of the agreement would be removed, and momentous progress would be made at the talks this time.

First-Day Session Opens

SK1609012892 Pyongyang Korean Central Broadcasting Network in Korean 0110 GMT 16 Sep 92

[Text] The first-day session of the eighth North-South high-level talks is being held in the People's Palace of Culture in Pyongyang amid great interest and expectation of all fellow countrymen.

Many reporters from the North and South, as well as foreign correspondents, came to the talks' site to cover them.

At 1000 [0100 GMT], Yon Hyong-muk, premier of the DPRK Administration Council who is leading our side's delegation to the North-South high-level talks, delegates and entourages arrived at talks' site.

The South side's delegates and entourage headed by Chong Won-sik also arrived at the site.

The talks will continue.

Further on First Day of Premiers Talks

SK1609142192 Pyongyang Korean Central Broadcasting Network in Korean 1213 GMT 16 Sep 92

[Text] The first-day session of the eighth North-South high-level talks was held at the People's Palace of Culture today. Many reporters from home and abroad came to the conference hall to cover the talks.

At 1000 [0100 GMT], the following people came to the conference hall: Yon Hyong-muk, premier of the DPRK State Administration Council who is head of our side's delegation to the North-South high-level talks; Kim Kwang-chin, vice marshal of the Korean People's Army [KPA]; spokesman An Pyong-su, vice chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF]; Paek Nam-chun, secretary of the CPRF secretariat; Kim Chong-u, vice minister of the Ministry of External Economic Affairs; Choe U-chin, roving ambassador of the Ministry of Foreign Affairs; and Kim Yong-chol, KPA major general.

Then the suite members came to the conference hall. The South side's delegates, with Prime Minister Chong Won-sik as chief delegate, and the suite members came to the conference hall. Talks were held in an open-door session.

Premier Yon Hyong-muk, head of our side's delegation, made a keynote speech at the talks. Prime Minister Chong Won-sik, the South side's chief delegate, also made a keynote speech.

At the talks, the two sides agreed to hold a working delegates' contact to adopt annexed agreements.

After the talks, our side's spokesman An Pyong-su held a news conference.

Koreans in Japan Cite Pan-National Rally Results

SK1509153192 Pyongyang KCNA in English 1459 GMT 15 Sep 92

[Text] Pyongyang September 15 (KCNA)—Meetings were held in Tokyo, Kanagawa, Aichi, Osaka and other parts of Japan on August 29 and 30 to sum up the work of the delegation of the Japan regional headquarters of the National Alliance for the Country's Reunification (Pomminnyon) which had participated in the 3rd pan-national rally, according to MINJOK SIBO, a Mindanlining Koreans' newspaper published in Japan.

A meeting was held in Tokyo on August 30 with the delegation of the Japan regional headquarters in attendance.

Addressing the meeting, Choe Chol-kyo, vice-chairman of the Japan regional headquarters, elaborated on the success of the pan-national rally and formation of Pomchonghaknyon [National Alliance of Youth and Students for the Country's Reunification] and called for waging a vigorous struggle in close unity for the abrogation of the "National Security Law" and establishment of a democratic government in South Korea and for the reunification of the country on the basis of the success of the rally.

The chief secretary of the Japan regional headquarters in his report proposed an action program to open a political consultative conference for national reunification in August next year, wage a meticulously planned movement in the South and the North and overseas to have the "National Security Law" scrapped and prisoners of conscience released and urge the Japanese Government to settle the problem of postwar compensation including the issue of "comfort women for the army".

Kwak Tong-ui, vice-chairman of the overseas headquarters of Pomminnyon, in his compliments called for expanding the driving force of reunification on the basis of the success of the pan- national rally and making 1995 the year of reunification through a great national unity of the compatriots in the North and the South and overseas.

Guinea Government Delegation Arrives for Visit

SK1209154592 Pyongyang KCNA in English 1519 GMT 12 Sep 92

[Text] Pyongyang September 12 (KCNA)—A government delegation of Guinea headed by Minister of Foreign Affairs and Cooperation Ibrahima Sylla arrived here today.

It was met at the airport by Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned.

Signs Cultural, Scientific Agreement

SK1509051992 Pyongyang KCNA in English 0420 GMT 15 Sep 92

[Text] Pyongyang September 15 (KCNA)—An agreement on cultural and scientific cooperation between the governments of the Democratic People's Republic of Korea and the Republic of Guinea was signed here Monday.

Present at the signing ceremony on our side were chairman of the Committee for Cultural Relations With Foreign Countries Chong Chun-ki and other officials concerned and on the opposite side were the members of the government delegation of the Republic of Guinea headed by Minister of Foreign Affairs and Cooperation Ibrahima Sylla and Guinean Ambassador to Korea Abou Camara.

Signs Protocol on Cooperation

SK1509122192 Pyongyang KCNA in English 1021 GMT 15 Sep 92

[Text] Pyongyang September 15 (KCNA)—The second session of the joint committee on economic, scientific and technological and cultural cooperation between the governments of the Democratic People's Republic of Korea and the Republic of Guinea was held here.

A protocol of the session was signed today.

Present at the signing ceremony on the Korean side were Minister of External Economic Affairs Chong Song-nam and other officials concerned and on the opposite side were the members of the government delegation of Guinea headed by Minister of Foreign Affairs and Cooperation Ibrahima Sylla and Guinean Ambassador to Korea Abou Camara.

Daily Urges South To Release Jailed Activists

SK1409125892 Pyongyang KCNA in English 1005 GMT 14 Sep 92

["Visitors to North Must Be Released Unconditionally"—KCNA headline]

[Text] Pyongyang September 14 (KCNA)—If the South Korean authorities are really willing to stop confrontation with the fellow countrymen and promote reconciliation and cooperation with them, they must apologize to the fellow countrymen for their crime in having imprisoned those who visited the North on the mission of reunification and make a bold decision to release them, urges NODONG SINMUN in a signed article today.

It says:

The Rev. Mun Ik-hwan, woman student Yim Su-kyong and other visitors to the North are patriotic pioneers of reunification who were the first to open the way of independent nongovernmental dialogues between the North and the South, breaking through the wall of division with a determination to lay down themselves on the altar of reunification.

Nothing is more precious than reunification in divided Korea. The visitors to the North who unhesitatingly offered to dedicate their lives to the noble cause of reunification are patriots who deserve praises by the nation.

However, the South Korean authorities arrested them by invoking the anti-reunification "National Security Law" and are harshly persecuting them.

This is an anti-national, anti-reunification crime which can be committed only by those who want neither reconciliation and unity of the nation nor the reunification of the country.

The South Korean authorities' acts can never be tolerated either in view of the nation's desire for reunification or in view of the requirement of the developing situation in which the historic North- South agreement has been adopted and effectuated and is in the stage of implementation.

The release of visitors to the North is not only an internal affair of South Korea but a matter related to reunification and to the North.

Imprisoning them for the mere reason that they visited the North is an open hostile act against the North and a criminal act denying the unity and reunification of the nation.

The South Korean authorities must scrap the notorious fascist "National Security Law" and unconditionally and immediately release the visitors to the North including the Rev. Mun Ik-hwan and coed Yim Su-kyong.

South Korea

Delegation to Talks Continues Pyongyang Activities

Schedule Reported

SK1409000892 Seoul CHUNGANG ILBO in Korean 13 Sep 92 p 2

[Text] The eighth round of South-North high-level talks is going to be held in Pyongyang for three nights and four days, from 15 to 18 September.

Prime Minister Chong Won-sik will lead our side's delegation of 90 people, including seven delegates, 33 suite members, and 50 reporters. The delegation is to enter the North at 0930 [0030 GMT] on 15 September at the Military Demarcation Line and ride in cars and buses along the Kaesong-Pyongyang expressway. After arriving in Pyongyang, the delegation is to attend a

banquet hosted by North Korea's Premier of the Administration Council Yon Hyong-muk at the People's Palace of Culture.

Following is our side's itinerary and schedule during its stay in Pyongyang as agreed upon by the South and North:

15 September: Our side's delegation will cross through Panmunjom at 0930, arrive in Paekhwawon Hotel in Pyongyang at around 1230 [0330 GMT], visit the People's Palace of Culture, and attend a banquet given by Premier Yon Hyong-muk at the People's Palace of Culture.

16 September: At 1000 [0100 GMT] it will attend the first day's open meeting. In the afternoon, the delegation will visit the First Pyongyang Junior High School and attend a performance given by Pyongyang artists.

17 September: At 1000 the delegation will attend the second day closed meeting. During this time, the reporters will visit either Taesongsan Resort or Mangyongdae Resort. In the afternoon the delegation will visit one of three places: Sohae Lockgate, Taesongsan Resort, or Mangyongdae Resort. In the evening, the delegation will attend a banquet given by Chairman of the Supreme People's Assembly Yang Hyong-sop at Morangwan.

18 September: The delegation leaves Paekhwawon Hotel in the morning, crosses through Panmunjom at 1230 in the afternoon, and returns to home.

Spokesman's Arrival Statement

SK1609034092 Seoul THE KOREA HERALD in English 16 Sep 92 p 5

[Statement by Yi Tong-pok, spokesman for the South Korean delegation to the inter-Korean premiers' talks, upon arrival in Pyongyang on 15 September]

[Text] Citizens of Pyongyang and northern brethren.

We have come here to Pyongyang for the fourth time to take part in the Eighth Round of South-North High-Level Talks.

First, we would like to thank the citizens of Pyongyang and our other northern brethren for the hearty welcome you have again extended to the southern delegation.

At the same time, I am very happy to convey to you the warm greetings of your 43 million brethren in the South.

It has been nearly two years since the South and the North started the high-level talks to end political and military confrontation and promote exchanges and cooperation between us.

Quite a lot of change has taken place in the relations between us since then. Particularly noteworthy is the fact that we put into effect the Basic Agreement and the Declaration of Denuclearization last February, which set out the basic goals we will pursue together.

In this way the South and the North promised to liquidate the half century of rivalry and mistrust, recognize and respect each other and pursue common interests and prosperity until we are united.

We have been sincerely discussing how to carry out the basic agreements we have reached so far. We have formed commissions to implement the agreements as soon as we agree on the details of how to carry them out.

On the other hand, our failure to agree on protocols is delaying the normal operation of the South-North joint commissions.

The responsibility of the delegates from both sides to this Eighth Round of High-Level Talks is thus self-explanatory. We, the southern delegation, strongly hope that this time the two sides can agree on the pending protocols to the bilateral agreements so that we can open an era of reconciliation and cooperation between us.

Pyongyang citizens and northern brethren.

The world is now changing rapidly. The Cold War era is over and waves of reconciliation and cooperation are sweeping over the world.

Here in Northeast Asia a new order is being shaped at a rapid pace, helping to create conditions favorable to peaceful unification.

Today it is economic pragmatism, not ideology, that determines the conduct of nations and peoples. Every nation in the world is taking part in fierce competition for progress and prosperity.

To maintain national self-esteem and dignity and enjoy prosperity as a leader in the international community in the coming century, we Koreans must stop confronting each other and must get rid of mistrust as soon as possible and begin to respond to the changes in the world. In addition, the South and the North should invigorate exchanges and cooperation on the basis of reconciliation, thus laying a firm foundation for national prosperity.

There are still several serious issues between the two parts of Korea, however, that hamper progress in bilateral relations. Above all else, the issue of nuclear weapons development is not only a threat to the survival and peace of Korea but has an adverse effect on relations between us.

It is quite natural that as long as there is suspicion about nuclear development, actual progress in South-North relations can hardly be expected.

We hope that the Eighth Round of High-Level Talks will find a solution to the nuclear issue by reconfirming the willingness of both sides to carry out both the spirit and the letter of the Joint Declaration of the Denuclearization of the Korean Peninsula.

Another serious issue is the reunion of separated relatives. Now that we are opening an era of reconciliation and cooperation, all Koreans are anxious to have a solution to this issue.

Now that we have promised to tackle the issue, we should no longer turn away from the grievances and suffering of the dispersed families.

It is very regrettable that the family reunions that we both agreed to implement without preconditions at the Seventh Round of Talks was not carried out.

If all the delegates to the South-North Talks think about what the Koreans want and pool our wisdom and energy for the future of the Korean people, we are sure that the pending issues are not so difficult as they may seem at first.

Pyongyang citizens and northern brethren.

I expect that this time the delegates from both sides will be able to get good results from our talks and give joy and hope to the 70 million Koreans. I hope that all Koreans will give their unending support and encouragement to the participating delegates so that we can do our solemn duties successfully.

Premiers Address 15 Sep Banquet

SK1509125192 Seoul YONHAP in English 1214 GMT 15 Sep 92

[Text] Pyongyang, Sept. 15 (YONHAP)—Prime Minister Chong Won-sik and other South Korean delegates to the eighth South-North prime ministers meeting began their official schedules Tuesday evening by attending a dinner hosted by North Korean Administration Council Premier Yon Hyong-muk.

At the banquet held at the People's Cultural Palace in Pyongyang from 7 P.M., Prime Minister Chong said in a table speech that the two sides should thoroughly implement and abide by the basic South-North agreement while respecting, trusting and relying on each other.

"The South and the North would be all prepared to discuss and carry out detailed programs to translate the basic agreement into action if only the two sides adopt auxiliary agreements," Chong said.

Touching on the nuclear issue, the South's prime minister said he hopes mutual nuclear inspections would be carried out early between the South and the North so that the scope of exchanges and cooperation could be broadened amid mutual trust.

He noted that despite nuclear inspections conducted by the International Atomic Energy Agency, misgivings about the North's nuclear arms development remain removed in the South and international community.

Chong also called for the early and unconditional implementation of the exchange of aged dispersed family hometown visitors.

Meanwhile, in his dinner speech North Korean Premier Yon said that the prime ministers talks should proceed based on independent ideas of the Koreans. "No external influence of any sort can be allowed to our talks," he said.

Yon said that if either of the two sides loses its national integrity and depends on external forces, it would amount to denying its identity by itself, causing an adverse effect on the talks.

"The future of our talks will depend on whether the two sides place national interests above ideologies and pursue unification instead of national split," he said.

The northern premier further said "North Korea has been developing in the most stable and balanced manner in the world along the track of socialism of our style chosen by ourselves."

This, he said, was the result of the fact that "we have realized the chuche thought to maintain a solid independent path, blossoming socialism of our style."

Subcommittees Hold Contact

SK1609002992 Seoul KBS-1 Radio Network in Korean 2300 GMT 15 Sep 92

[Text] The North and South held a contact yesterday. They outlined their views for adopting the three annexed agreements on reconciliation, nonaggression, and exchange and cooperation as a package during the current talks. They held contacts between chairmen of the Political and Military Subcommittees respectively and negotiated the contents of the annexed agreements of reconciliation and nonaggression which were not agreed upon up to now.

Our side proposed that all three annexed agreements be adopted but the portions that were not agreed upon be discussed later at either a subcommittee or joint committee according to the content's nature. In the event that these agreements are not adopted as a package, the annexed agreements, whose settlement is possible, should be adopted first and the others should be discussed thereafter.

The North side responded favorably to this, stating that both sides should do their best to settle the three annexed agreements as a package.

The North and the South, however, waged an offensive and defensive argument about the North Korean theory of one Korea to which the North side has adhered to for a long time.

As for the work of exchanging separated families, our side proposed that this work be resumed without any precondition. The North side, however, demanded that our side withdraw the principle of resolving the nuclear issue first which our side called for. The North side again called for repatriation of old man Yi In-mo, thus

showing the great differences in views that still exist between the North and South.

N-S Talks Open; Sides Agree To Adopt Protocols

SK1609025892 Seoul YONHAP in English 0246 GMT 16 Sep 92

[Text] Pyongyang, Sept. 16 (OANA-YONHAP)—South and North Korea agreed in principle Wednesday to adopt the protocols that will put the inter-Korean commissions on reconciliation, nonaggression, and exchanges and cooperation into operation during the prime ministerial talks.

"Adopting the protocols is the most urgent task at the talks," South Korean Prime Minister Chong Won-sik said in his keynote speech on the first day of the eighth round of the talks here earlier in the day.

"South and North Korea must do their best to adopt all three protocols even if some parts remain unsettled," Chong said.

North Korean Prime Minister Yon Hyong-muk accused South Korea of stirring up confrontation to block the negotiations on the protocols.

"Despite the unsettled points that pose difficulties for us, our position is that the protocols should be adopted at the current talks and put into effect," Yon said.

"Delaying the protocols delays reconciliation, peace, and exchanges and cooperation as well, prolonging national division," Chong said in his speech.

Commenting on reunions for elderly Koreans, he reminded North Korea that its political conditions aborted the August reunion.

"Family reunions must not have any conditions attached to them," he said. "South and North Korea should agree on this point and resume talks by Red Cross societies to decide on the date of hometown visits."

Yon indicated a change in Pyongyang's principle of concluding all agreements before starting on implementation, saying the two sides should "discuss in order issues thought urgent by both sides for gradual implementation."

South Korea's Chong repeated demand that North Korea agree to early inter-Korean mutual nuclear inspection, which he called "the first step to solving the nuclear problem and the key to denuclearizing the Korean peninsula."

"You insist that suspicion of your nuclear development was removed by the International Atomic Energy Agency (IAEA) inspection," he said. "But the hard reality is that the international community is even talking about forced inspection of North Korea."

Yon flatly refused the demand.

"Ordinary military basis are clearly distinguished from nuclear bases and cannot be included in inspections under any circumstances," he said.

On family reunions, the North Korean prime minister attached the same conditions as before, such as a change in South Korea's position on nuclear solutions and the repatriation of Yi In-mo, a North Korean journalist jailed until recently by the South for refusing to renounce communism.

"Let's open Red Cross talks on condition that these obstacles are removed," Yon said.

Yon proposed that the two Koreas take joint steps on Japan's military expansion, compensation for women held as sex slaves for Japanese soldiers during World War II, Japan's nuclear buildup and correction of the historical record.

He tabled a draft agreement on joint countermeasures for the purpose.

The prospects for adopting the protocols brightened Tuesday evening and the chairmen of the inter-Korean Political and Military Subcommittees met for last-minute negotiations.

The Political Subcommittee agreed on formation and operation of the commission on reonciliation, to cease factual distortions against each other, and to establish as many working-level committees as necessary, including a judiciary committee.

The Military Subcommittee agreed on forbidding any form of armed attack on each other's territory, a forum between military officials to prevent conflicts and settle opinion differences, and ways to reprimand any party that is in violation of the agreement on nonaggression.

Steelmakers Fight U.S. Action on Dumping Charges

SK1609025792 Seoul THE KOREA HERALD in English 16 Sep 92 p 4

[Text] Korean steelmakers are trying to join forces with foreign steelmakers to fight the U.S. decision late last week recognizing dumping charges against carbon steel pipe from many countries.

Actions taken by the U.S. Government in recent months were a signal to the world that it would protect domestic industry and grasp hegemony in the global steel market, an anonymous source alleged yesterday. He also noted that the U.S. presidential election was nearing.

Korean steelmakers may retaliate with anti-dumping suits aimed at U.S. steel products in cooperation with foreign steelmakers, the source said.

U.S. steelmakers raised anti-dumping charges for hot-rolled, cold-rolled, flat-rolled sheet.

ROK, Chinese Cities Promote Economic Exchanges

SK0509045992 Seoul HANGUK ILBO in Korean 3 Sep 92 p 1

[Text] As a result of the establishment of diplomatic relations between the ROK and China, cities and provinces of the two countries are very briskly promoting economic exchanges.

Various cities are eagerly making efforts to invite ROK companies to invest in their cities, and ROK companies are competing to grab a foothold in markets in China, whose population is 1.1 billion. Even small and medium-size regional cities that have no experience investing overseas are trying to promote economic cooperation with China. Specialists warn, however, that if regional administrative bodies hastily contact China before intergovernmental cooperation is promoted in earnest, this may have an adverse effect.

It was learned on 3 September that since the establishment of diplomatic relations, officials and businessmen of Qingdao, Penglai, and Rongcheng in Shandong Province, as well as businessmen from Shanghai and Tianjin have visited or are visiting city governments and chambers of commerce in Pusan, Taegu, Inchon, Masan, Ulsan, and Kunsan.

Many other Chinese cities have informed ROK cities that they will send delegations to the ROK to win investments from the ROK: Jinan, Dalian, and Shenyang have sent cables to Pusan; Hunchun to Ulsan; Harbin to Kunsan; and Lianyungang to Mokpo.

Six officials from Rongcheng, including Zhang Zhizheng, the 48- year-old mayor, and Wang Benping, the 35-year-old chairman of this city's chamber of commerce, arranged a "meeting to explain the investment environment of Rongcheng" in the conference room of the Masan Chamber of Commerce on 1 September. Officials of approximately 70 companies in the Masan Free Export Area and other companies in Masan came to this meeting and expressed great interest in investments in China.

Five officials from Qingdao, including Mayor Zhang Huilai, arrived in Inchon on 1 September to hold meetings to explain investment possibilities in Qingdao. They are now carrying out activities to win investments from companies in Inchon.

Seventeen officials from Shandong Province, including Vice Governor Li Chunting, are now in the ROK to attend a Shandong Province exhibition at the Korean Exhibition Center. They are planning to visit the Inchon Chamber of Commerce on 4 September to discuss investments in Shandong and Inchon.

On 24 August, the day the ROK and China established diplomatic relations, a delegation led by Yang Xinhua, deputy chief of the External Cooperation Section of Shanghai, China visited the Pusan City Hall and Assembly. To win ROK investments, they asked that Pusan and Shanghai establish sisterhood ties and promote exchanges.

On 25 August, a seven-member delegation led by Tianjin Mayor Nie Bichu visited Pusan City Hall and the Pusan Container Port Authority. They discussed trade and investments between the two cities.

A 17-member delegation led by Shandong Vice Governor Li Chunting will visit Pusan on 3 September to discuss investments and economic cooperation with businessmen in Pusan. Qingdao, Shenyang, Jinan, Dalian, and other major Chinese commercial and industrial cities proposed establishing sisterhood ties and expanding economic exchange with Pusan.

Since the establishment of diplomatic relations between the ROK and China, businessmen in Pusan have also shown interest in investments in China. The Pusan Trade Center of the Korean Trade Promotion Corporation receives approximately 10 inquiries a day on information on China's investment environment and restrictions on exit and entry, a 1,000-percent increase.

At the invitation of the Hebei governor, a 15-member delegation led by Yang Chun-ho, the 67-year-old chairman of the Chonan Chamber of Commerce, visited China on 23 August. The Chinese side asked this delegation to invest in China. As a result, the Chonan Chamber of Commerce is now examining investment possibilities in China. Mokpo, South Cholla Province, is trying to establish sisterhood ties and promote economic cooperation with Lianyungang, Jiangxi Province, which is on the same latitude as Mokpo.

Trade Deficit With European Community Reported

SK0309035092 Seoul YONHAP in English 0108 GMT 3 Sep 92

[Text] Seoul, Sept. 3 (YONHAP)—South Korea ran up a trade deficit with the European Community of 600 million U.S. dollars in the first seven months of the year, the Korea Foreign Trade Association (KFTA) said Thursday. Trade was balanced in the same period last year.

Exports were tallied at 5.4 billion dollars and imports at 6 billion dollars.

With a single market close at hand, EC countries have filed anti-dumping suits and tightened import regulations against goods from Korea, but increased exports with petrochemical products and inorganic compounds to cause a trade imbalance, KFTA officials said.

The EC limits 22 imports by anti-dumping suits, import quotas and pledges of bilateral price hikes, compared with 13 imports limited by the United States, 12 by Australia and eight by Japan.

The trade barrier would be even higher after unification, the KFTA officials predicted.

Korea's overall trade account piled up 6 billion dollars in red ink in the first seven months, 1.9 billion dollars less than the previous year.

Korea's trade deficit with the United States remained at 900 million dollars and that with Japan was 5.1 billion dollars in January-July, a drop of 300 million dollars.

Trade with Southeast Asian Nations (ASEAN) and central and South America brought surpluses of 400 million dollars to 700 million dollars and 900 million dollars to 1 billion dollars, respectively.

Korea had a deficit of 900 million dollars with northern nations, down 300 million dollars from last year, and two-way trade with the rest of the world recorded a deficit of 100 million dollars, much improved from 700 million dollars last year.

First-Half Economic Statistics Reported

SK0209040392 Seoul THE KOREA HERALD in English 2 Sep 92 pp 1, 8

[Text] The Korean economy grew a meager 6.0 percent in the second quarter of the year, largely affected by a cooldown in domestic demand, bringing the nation's economic growth rate in the first half of the year to 6.7 percent, the Bank of Korea said yesterday.

The 6.0 percent GNP growth during April-June compares with a 7.4 percent expansion in the first quarter of the year and 9.8 percent growth in the same quarter last year.

The slow growth in the second quarter was largely attributed to the slowdown in growth of private consumption and in the service sector which have fueled the nation's economic growth over the past few years.

In contrast, the manufacturing sector, which had shown sluggish performance in recent years, marked a robust 8.6 percent growth in the second quarter of the year, mostly boosted by active exports.

Touching upon the 6.7 percent GNP growth for the first half of the year, Choe Yon-chong, central bank director, said "I don't think that the nation's economy is slumping because the 6.7 percent growth rate is almost within the 6.8-7.2 percent optimum growth level to be achieved without stirring up inflation."

Furthermore, hefty growth in the manufacturing sector against slow growth in private consumption and construction shows that the nation's economy has returned to the right track, he added.

The growth rate of private consumption sharply slowed to 7.0 percent in the second quarter of the year, compared with 8.6 percent registered in the preceding quarter.

The construction sector registered minus 2.7 percent growth in the second quarter, sharply down from 13.2 percent expansion in the same period last year.

During the cited period, the nation's GDP (gross domestic product), which excludes net overseas earnings from GNP, expanded 6.3 percent, bringing the nation's GDP growth rate in the first half of the year to 6.9 percent.

GNP (gross national product) is a comprehensive measure of a nation's output of goods and services in a given period, usually one year.

The manufacturing sector expanded 8.6 percent in the second quarter of the year, compared with 8.8 percent growth a year earlier, mostly led by active exports.

The heavy and chemical sector enjoyed a hefty 12.1 percent growth during April-June, slightly up from 11.2 percent expansion in the preceding quarter, largely because of the expanded exports of autos, ships and chemical products and the strong domestic demand for oil.

Light industry registered a mere 1.2 percent growth during the cited period, because of the sluggish export of garments, footwear and toys.

The construction sector, which has led the nation's economic growth in the past few years, suffered a 2.7 percent setback in the second quarter, compared with 13.2 percent expansion a year earlier, largely because of the government's strong curb on construction.

Construction in the private sector plunged by 8.4 percent in the second quarter over the same period last year, owing to the sharp drop in construction of non-residential buildings sector, while the growth rate of construction in the public also slowed to 12.8 percent, compared with a 35.3 percent expansion a year ago.

Growth in the service sector also took a plunge from 8.6 percent in the first quarter to 7.0 percent in the second quarter.

The growth rate of total fixed capital sharply slowed down to 0.1 percent in the second quarter, compared with 14.2 percent expansion a year ago, largely because of the sharp drop in the growth rates of facility and construction investments.

In particular, the growth rate of investment in machinery slowed drastically to 0.2 percent in the second quarter, from 15.6 percent in the same period last year.

If this trend continues, the slowdown of the nation's economic growth is feared to accelerate through the second half of the year and into next year, analysts say.

Despite hefty investment in social overhead capital, including roads and railroads, construction investment suffered a 2.9 percent setback in the second quarter, compared with a 13.9 percent rise in the same quarter last year.

Inventories sharply decreased by 715.1 billion won worth during April-June, thanks to the active exports of industrial products and ships.

National Assembly Convenes First Regular Session

SK1409115592 Seoul YONHAP in English 0802 GMT 14 Sep 92

[Text] Seoul, Sept. 14 (YONHAP)—Amid a deepening sense of helplessness and cynicism, the National Assembly convened its first regular session Monday and immediately run into the same obstacles that have already crippled the nation's unicameral legislature for nearly half a year.

The assembly began its 100-day regular sitting in a ceremony attended by Chief Justice Kim Tok-chu, Prime Minister Chong Won-sik and government leaders.

Speaker Pak Chun-kyu told the assembled lawmakers that in this year of a presidential election he expected them to exhibit the spirit of compromise and courageous leadership in dealing with pending national issues.

He urged representatives to take active part in deliberating legislation that has an immediate effect on the lives of ordinary people.

The Assembly is to inspect government offices and deliberate the national budget for the fiscal 1993, but will continue to face a seemingly insurmountable impasse over the issues of local elections and an allegation by a former county chief of election fraud during the March 24 general elections.

To help resolve these issues, which stand in the way of normalizing the National Assembly, top leaders of the three political parties had planned to meet Monday but the meeting was postponed at the request of Kim Yong-sam, president of the ruling Democratic Liberal Party [DLP].

The two opposition parties then decided not to cooperate in any effort to put the Assembly on track, pending the outcome of the party leaders meeting.

The opposition parties were demanding the meeting be held on Sept. 15 or 16, while the ruling party wants to meet after the judicial authorities finish their investigation into the election fraud allegations made by Han Chun-su, former chief of Yongi County, South Chungchong Province.

The main opposition Democratic Party expects the meeting to take place on Sept. 20 or 21 at the earliest as its leader, Kim Tae-chung, is scheduled to return home around that time from a visit to the United States.

On opening day, the Assembly heard reports from the Special Political Committee, which was formed to resolve pending issues such as amendments to the presidential election, local election and political fundraising laws.

The Assembly adjourned after postponing parliamentary inspections of government offices, which had been scheduled to start Wednesday [16 September]. Floor leaders, meeting earlier in the day, agreed to negotiate the dates for the inspections later.

The ruling and the minor Unification National Party [officially renamed United People's Party] agreed to form standing committees but the Assembly adjourned without reaching any agreement since the Democratic Party insisted on hearing speeches of the party leaders and interpellating administration officials before formation of the committees.

But the Democratic Party was already said to have selected chairmen and members of the standing committees it was allocated so that it could conduct the parliamentary inspections of the government from Sept. 28, sources said.

The ruling party meanwhile, plans to shorten the length of the inspections to two weeks from the normal 20 days before taking up the speeches of the three party leaders, interpellation of government ministers, standing committee businesses and budget deliberation, in that order.

The DLP also hopes to cut the regular session to 60 days or mid-November, from the regular 100-day session in view of the presidential election, which is scheduled for mid-December.

But even if the National Assembly is normalized now, it is expected to experience rough going over the election fraud issue, budget deliberation, amendments to the presidential election and political fundraising laws and the so-called seven large national projects, including the construction of the high speed Seoul-Pusan railway and a new international airport.

With regard to the 1993 budget, the ruling party hopes to pass the administration's proposal, amounting to 38.05 trillion won, up 14.6 percent from this year, while the Democratic Party plans to hold the increase to 7 percent or the same level as inflation.

Burma

Than Shwe Addresses SLORC Coordination Meeting

BK1609034392 Rangoon Burma Television Network in Burmese 1330 GMT 15 Sep 92

[Text] A coordination meeting of the State Law and Order Restoration Council [SLORC] and state and divisional law and order restoration councils [LORC] was held at 0930 today in the conference hall of the Office of the Commander in Chief of the Army. General Than Shwe, chairman of the SLORC and commander in chief of the Defense Services, attended the meeting and delivered an address.

Speaking at the meeting, Gen. Than Shwe said it is now almost four years since the Defense Services had taken over state powers and that it would be necessary to review the work done during the period in political, administrative, economic, and social fields. He said four years is a normal term for a state government. He said future programs should be laid down and implemented diligently after reviewing the progress and shortcomings of our undertakings during these four years.

Continuing, Gen. Than Shwe said it is human nature to be earnest at the beginning of a venture, but to lose enthusiasm as time passes. Therefore, it is especially necessary not to lose enthusiasm and become lax in work. We took over state power not for our self-aggrandizement, but to discharge our duty toward the state with the objective of achieving progress for the nation and the people. As time passes, responsibilities become heavier; therefore, there should be self-evaluation and full discharge of one's duty toward the state with conviction.

Gen. Than Shwe said during the course of four years, energetic efforts were made in carrying out construction and development programs and measures were also taken in political, economic, and social fields. Arrangements have also been made to fully meet the basic needs of the people—food, clothing, and shelter—after designating 1992-93 as the Economic Year. It was therefore necessary for all the departments and the regions to pay special attention to economic undertakings.

As the economic sector includes agriculture, forest, meat, fisheries, mining, and industry, as well as trade, transport, and energy, the ministries concerned should make determined efforts in carrying out their respective tasks. As the ministries concerned should strive for economic development, other ministries and regimental and divisional commanders should also make collective efforts. Only then, he said, would the desired goal be achieved.

Our country is striving to improve rice production through various methods in order to cope with the population, which is growing each year. Only these efforts can enable us to have self-sufficiency in rice for the population, which will reach 50 million by the year 2000. If there is lack of self-sufficiency in rice, shortcomings should be reviewed and efforts should be made in the form of a national undertaking to achieve self-sufficiency.

Gen. Than Shwe called for a concerted cultivation of paddy as the main state crop. In the economic sector, efforts should also be made to develop fisheries, meat, forestry, mining, and industrial sectors. In developing these sectors, it will also be necessary to further develop the trade, transport and communications, and energy sectors.

On the administrative sector, Gen. Than Shwe said township law and order restoration councils would be reorganized with township officers of the Department of General Administration as leaders aiming at a multi-party democracy administration sytem. Respective township, zone, state, and divisional LORCs are to give necessary assistance in this endeavor.

On the political sector, Gen. Than Shwe said during the time of their assumption of state powers efforts had to be made amid various problems and difficulties to ensure the prevalence of peace and tranquility in the state. He said the Defense Services would not hold on to power for long, but would hand it back to the people at an appropriate time. But at present, he said, it was safeguarding the state for political and security reasons.

He said it is necessary to take lessons from the situation in some countries of the world. There are a number of nations which have disintegrated, ruining their economnies, social services, and politics. He said we would not allow such things to happen in our country.

He said the first stage of coordination had been made for convening the national convention and preparatory measures are being taken. At this time, internal and external and some overt and underground organizations are endeavoring to create difficulties for us by applying military and economic pressure and by instigating the indigenous races. He said preparations must be made to protect our country from these elements.

He urged all concerned to review the work done in the political, administrative, and economic sectors, and to continue their endeavors with a new spirit and outlook.

Next, the chairmen of the state and divisional law and order restoration councils presented situational reports from the respective regions, after which the meeting adjourned for the day at 1645.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Discusses Philippine Ties, Sabah Claim

BK1509144292 Kuala Lumpur Voice of Malaysia in English 1330 GMT 15 Sep 92

[Text] Datuk Sri Dr. Mahathir says it is difficult for Malaysia to have full relations with the Philippines when

the latter has not dropped its claim on Sabah. As such, Malaysia will not be able to sign the treaty of amity and cooperation and border control with the Philippines. The prime minister was speaking to newsmen after launching the Kuala Lumpur City Center project.

Commenting on visiting Philippine Foreign Secretary Roberto Romulo's statement that the only stumbling block to the country's plan to drop the claim was its Senate, Datuk Sri Dr. Mahathir said it is entirely up to the Philippines to decide on the matter. It is their internal matter. Malaysia cannot do anything. If they want to drop the claim, the procedure is theirs. The consent is also theirs.

Yesterday Mr. Romulo told Foreign Minister Datuk Abdullah Ahmad Badawi that the Philippine Government did not wish to pursue the claim on Sabah and that the present administration was following the same policy as that of the previous governments.

Asked whether he is disappointed with the Philippines for not having dropped the claim after all these years, Datuk Sri Dr. Mahathir said there is nothing to be disappointed about and there is nothing that Malaysia could do.

On the election in Thailand, Datuk Sri Dr. Mahathir said he is happy that it has gone off well. He hoped that it will be a good step forward for the country. He congratulated the winners and said he looks forward to working with them.

Namibia Delegation Visits Palm Oil Institute

BK1609055492 Kuala Lumpur BERNAMA in English 0521 GMT 16 Sep 92

[Text] Kuala Lumpur, Sept 16 (OANA-BERNAMA)—Namibia, which currently obtains its palm oil supply from South Africa, has indicated its intention to import Malaysian palm oil instead.

Palm Oil Research Institute of Malaysia (PORIM) Director General Dr. Yusof Basiron said Namibian President Dr. Sam Nujoma expressed the intention during his visit to the institute here Monday.

Speaking to reporters after the visit, Dr. Yusof said Namibia was interested in Malaysian palm oil because of its competitive price, good quality, and assured supply.

However, the president did not mention any specific quantity Namibia wished to import, he added.

Dr. Yusof said Namibia's palm oil consumption was projected to be between 20,000 and 30,000 tonnes annually in the years ahead.

Namibia's total fat consumption is estimated at about 14,000 tonnes per year, almost all of it imported from South Africa, he added.

Namibia only produces between 30 and 40 tonnes of sunflower seed annually for use as cooking oil and the country does not produce palm oil.

Dr. Yusof said Namibia would import the refined oil which is ready to be used as the country did not have a processing plant.

PORIM, he added, had offered technical advise on the use of palm oil to Namibia.

Dr. Nujoma, who is on the third day of a four-day state visit to Malaysia, was accompanied by his foreign minister, Theo-Ben Gurirab, Trade and Industry Minister Libertine Amathila, Health Minister Dr. Nicky Izambo, and Youth and Sports Minister Pendukeni Ithana.

Government To Work With UN for Peace in Bosnia

BK1109142492 Kuala Lumpur Radio Malaysia Network in Malay 1330 GMT 11 Sep 92

[Text] Malaysia will continue with efforts through the United Nations to restore peace in Bosnia-Hercegovina. Foreign Minister Datuk Abdullah Ahmad Badawi today said only through UN efforts can peace return to that country and the suffering of the people end.

He said this when presenting aids to the people at Permatang Pak Elong in Kepala Batas. He said Malaysians should be grateful that the country enjoys peace. As such, the people of various races should work to preserve the peace and stability in the country.

Cambodia

Hor Namhong-Led Delegation Departs for Hawaii

BK1609032292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 15 Sep 92

[Text] At the invitation of the U.S. Government, a delegation of the State of Cambodia's Government led by His Excellency [H.E.] Hor Namhong, member of the Supreme National Council and foreign minister, left Phnom Penh on 15 September for Hawaii of the United States to discuss the issue of missing U.S. servicemen. Included in the delegation are H.E. Sin Song, national security minister; Mr. Long Visalo, deputy foreign minister; Mr. Nuon Saret, deputy national security minister; Mr. Mau Chandara, chief of the National Security Ministry's Economic Crimes Suppression Department; and Mr. (Meas Chanham), deputy chief of the Foreign Ministry's Press Department.

Indonesian Defense Minister Arrives for Visit

BK1609063892 Phnom Penh SPK in French 0405 GMT 16 Sep 92

[Text] Phnom Penh 16 Sep (SPK)—A delegation of the Indonesian Defense Ministry, led by its minister L.B. Murdani, arrived in Phnom Penh on Monday for a two-day visit to Cambodia.

The delegation wants to inform itself of the process to implement the Paris agreement and the situation of the Indonesian contingent on a peacekeeping mission in Cambodia.

General Murdani is accompanied by General Faisal Tanjung, chief of the General Staff, and some 20 high-ranking Indonesian officers. The delegation arrived at Pochentong aboard a special C-130 plane after a brief stop in Siem Reap-Oddar Meanchey Province, northwest of Cambodia. There the delegation paid a courtesy call on Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC].

The Indonesian military delegation was greeted at Pochentong Airport by General Pol Saroeun, deputy defense minister and chief of staff of the Cambodian People's Army, and other high-ranking Cambodian officers.

Taufik R. Sudarbo, ambassador of Indonesia to the SNC, was also present.

The Indonesian defense minister is schduled to meet UNTAC [UN Transitional Authority in Cambodia] Chief Yasushi Akashi and the commander of UNTAC's military component General John Sanderson during his stay in Cambodia. He will leave Cambodia on Wednesday.

Hun Sen Receives Malaysia Airlines Official

BK1609020892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 15 Sep 92

[Text] His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party Central Committee and chairman of the Council of Ministers, granted an audience to a Malaysia Airlines delegation, led by its general director, Datuk Kamaruddin Othman, at 0900 on 15 September at the Council of Ministers office. H.E. Hun Sen cordially welcomed the delegation on that occasion. He highly valued and considered its visit to Cambodia a contribution to improving the relations of friendship and cooperation between the two countries. He also extolled and profoundly thanked the Malaysian Government for its great participation in the peace process as well as its support in the course of economic restoration in Cambodia.

In his reply, Datuk Kamaruddin Othman briefed H.E. Hun Sen on the air traffic between Phnom Penh and Kuala Lumpur and praised the State of Cambodia for its multifarious achievements. He also exchanged views on the expansion of the Cambodian and Malaysian airlines with H.E. Hun Sen.

Japanese Envoy Presents School With Textbooks

OW1409092092 Tokyo KYODO in English 0847 GMT 14 Sep 92

[Text] Phnom Penh, Sept. 14 KYODO—The Japanese Government presented 300 school textbooks on automobile repair know-how to Cambodia as part of its aid program to the war-torn country.

The textbooks, which deal with structures of engines and know-how to repair automobiles, were completed after Cambodian staffers at a Japanese nongovernmental organization translated the original into the Khmer language, Japanese officials said.

Speaking at a presentation ceremony held at a vocational school in Phnom Penh, Japanese Ambassador Yukio Imagawa said it is important for Cambodian people to learn with textbooks written in their own language.

"A peaceful Cambodia will definitely be created. I want Cambodia to pursue technological independence from now on. To that end, I hope you will be able to train technical experts by yourselves as early as possible," he said.

Sihanouk Begins Visit to FUNCINPEC Zone

BK1609094892 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 16 Sep 92

[Text] His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC], said he is happy to note that the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party—which he founded and is currently under the clear-sighted leadership of Prince Norodom Ranariddh, FUNCINPEC chairman—is doing all it can to serve the people in national construction. The prince head of state stressed that FUNCINPEC and the National Army of Independent Cambodia [NAIC], under Prince Norodom Ranariddh's leadership, have adhered to a correct policy, now and in the future; and is firmly united and very strong. This in turn has attracted various political forces to join FUNCINPEC.

The prince head of state said this on Tuesday during his three-day visit to the zone under FUNCINPEC control in Oddar Meanchey Province. The prince head of state, accompanied by the royal consort and his entourage, was warmly greeted by Prince Norodom Ranariddh, FUNCINPEC chairman, member of the Supreme National Council [SNC], supreme commander and commander in chief of the NAIC; FUNCINPEC's civilian and military leaders of the NAIC; monks; students; and a multitude of people, old and young, male and female.

The chief of the UN Transitional Authority in Cambodia [UNTAC], Yasushi Akashi; high-ranking UNTAC officials; and many diplomats are expected to arrive in the zone under FUNCINPEC control this Wednesday. The prince head of state said in a speech at Rumchang base

on the first day of his visit that the four Cambodian parties, including the party of Hun Sen, agreed on the revision and demarcation of Cambodia's entire border—land and maritime border—based on pre-1970 maps of Cambodia.

The prince head of state said if the control of the border reveals that border markers have been moved further inside Cambodia, then it is necessary to move them back to their original positions in accordance with pre-1970 maps.

Hyperinflation Reportedly Threatens Economy

BK1609093092 Hong Kong AFP in English 0923 GMT 16 Sep 92

[By Sheri Prasso]

[Text] Phnom Penh, Sept 16 (AFP)—Rampant inflation that could top 300 percent this year is threatening to turn Cambodia into a country where people must buy their rice in the morning to beat price increases by afternoon.

And the UN Transitional Authority in Cambodia (UNTAC), despite a mandate for direct control over the four factions that administer this country, can do little to stop it, according to economists and financial analysts.

"They have a massive problem a long time in the making and they don't have the means to adjust it," said one economist. "They're stuck."

Just like the former Soviet Union, which used to prop up this economy, Cambodia is attempting to shift from a communist to a capitalist system. But it has no foreign exchange or gold reserves, is running a budget deficit of 40 million dollars, and owes more than 70 million dollars to foreign institutions.

The Phnom Penh administration is rapidly flying in money printed in Moscow to pay civil servants, with bills so new the ink comes off on their hands.

In July and August it printed 27 billion riel (13 million U.S. dollars), according to International Monetary Fund figures.

As a result, the riel is plunging against the U.S. dollar. From 350 to the dollar in December, it hit a low of 2,800 to the dollar last week and bounced back to 2,300 on Wednesday.

Inflation was 30 percent in July alone—up from 20 percent in June— according to the IMF.

"There's no chance of the inflation rate coming down until well after the election" in May 1993, said an economist with a Western diplomatic mission.

Cambodia threatens to become a "Banana Republic-like economy where people say they better buy this morning because the price will go up this afternoon," he said.

If the government stops printing money, the economy will collapse, he said.

The only solution, economists say, is a massive capital infusion. In any other country, the IMF or World Bank would bail out the economy while a restructuring could take place.

But Cambodia's unique political situation—where the Phnom Penh administration with the most land and power is not acceptable to the United Nations because it was installed by Vietnam—makes any World Bank or IMF loan unlikely until after the UN-run election.

Roger Lawrence, the American in charge of finance at UNTAC, has been lobbying hard for such fast cash but has little hope of it being granted soon.

Instead, he plans a long-term strategy of helping the government impose taxes—which are presently nil—clamping down on smugglers and corrupt officials and urging patience.

"There are difficulties and we're simply going to overcome them," he said in an interview. "It can't be reversed in a couple of weeks."

While Cambodians in the capital and provincial cities are feeling the pinch, Lawrence argues that there was "not much impact on the rice farmer in Kompong Cham."

About 80 to 85 percent of Cambodians are living at a subsistence level off their farms.

But in the cities, the price of medium-grade rice—every Cambodian's staple—has gone from 330 riel per kilogram two weeks ago to 400 riel (17 U.S. cents) Wednesday. Both are the equivalent of 17 U.S. cents, as the exchange rate was 2,000 riel to the U.S. dollar at the beginning of September.

It now costs 90,000 riel (40 dollars) a month to feed an urban family of four, according to one embassy study.

Traffic policeman Doum Sovan, 36, earns just 13,000 riel (5.6 dollars) per month.

"I feel so upset with the daily inflation," he said. "The only thing I can do is depend on my wife. She sells (rice) cakes at Central Market, and sometimes I borrow money from my friends."

Laos

Trade Unions Set Up for Private Enterprises

BK1409023692 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Sep 92

[Text] The Trade Union Committee of Vientiane Province recently agreed to reorganize the workers' labor councils which were established in July this year at many private companies because it considered them not in conformity

with the actual conditions and reality. Therefore, the committee deemed it necessary to reorganize and turn these councils into grass-roots trade union units for the said private companies effective 1 September 1992.

Course on Drug Law Enforcement Held in Vientiane

BK1409121892 Vientiane KPL in English 0922 GMT 14 Sep 92

[Text] Vientiane, Sept 14 (KPL)—A course on drug law enforcement is organized here today by the Laos' Customs Department under the auspices of the British Government and Customs and Excise Department of the United Kingdom and lasts till September [no date as received], 1992.

This course, the first of its kind in Laos, is part of the program provided by the British Government and has the full support of the British Government and Mr. Souban Salitthilat, president of the Narcotics Commission for Drug Control and Supervision of the Lao PDR [People's Democratic Republic].

The British Government provides a program of courses to assist overseas drug law enforcement agencies as part of its contribution to the international effort against drug trafficking.

"Drugs trafficking is a serious international problem which must be tackled on an international scale. I would like to see this course mark the beginning of a lasting program of cooperation between us," said Mr. Tom Matthews, head of overseas training of H.M. Customs and Excise of the United Kingdom, at the inauguration.

Over the next two weeks the trainers will use experience to look in detail at ways in which Laos' enforcement effort against international drug trafficking might be improved.

The trainers will gain knowledge, acquire new skills and have the opportunity to put them into practice.

Various Sources of Funds for Development Examined

BK1609061392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 15 Sep 92

[PASASON 15 September article: "Where Will We Get Funds for National Development?"]

[Text] Respected listeners, as a result of the continual inflation, the economic foundation of our country has encountered a series of fairly serious crises in the past several years. An imbalance in our import and export has also caused instability to our economic foundation as well as persistent difficulties for the people regarding their living conditions.

After the convening of the Fourth Congress of the Lao People's Revolutionary Party [LPRP], our country began implementing the restructuring policy on economic management mechanisms aimed at transforming our economic foundation from a centrally-controlled, state financing administrative style of management into a market economic management system under the state's macro management.

This reform has gradually brought changes to the country. According to unconfirmed statistics, our people's per capita income has increased by more than 7 percent over the past three years. On the basis of transforming the state of ownership into various forms in the economic structure by combining services in the state-owned economic sector with those in the collective economic sector and the private economic sector, production forces have been gradually liberated.

By implementing the agricultural policy of granting land ownership to farming families to carry out goods production, farmers have thus come to play a more decisive role in solving the problem of food shortages in the country. In 1990, the total output of our agricultural production surpassed more than 1.5 million metric tons. Despite some adverse effects caused by natural disasters, the total agricultural production output in 1991 tallied more than 1 million metric tons.

As for the industrial, handicraft, and service sectors, the government has granted operators of businesses in these fields the right of mastership in carrying out business production and in taking responsibility for managing their own financial matters regarding incomes, expenses, and profits. As a result, the question of demand meeting supply in consumer products, which was once a chronic major problem in our country, has been effectively resolved.

In general, the facts clearly show that problems of a lack of goods to meet the requirement of society in Laos have now diminished. It can be said that in Laos today the availibility of goods now adequately meets the purchasing power of our people. The decentralization of trade in foreign currencies has also been attributed to narrowing the gap between import and export. Even though the total volume of exports still cannot match that of imports, the current trend shows that this problem is diminishing more and more.

The floating of prices has also resulted in the emergence here of markets dealing in gold and foreign currencies. By abolishing state subsidies, inflation in our country has been successfully checked and gradually reduced and the living conditions of the people significantly improved. In 1989 alone, inflation, which once soared to 75 percent, dropped sharply to only 20 percent. It dropped further to only 10 percent in 1990. Throughout 1991 and the first eight months of this year, inflation has gradually decreased. The decreasing level of inflation is based on several factors. The most important factor is the liberal monetary policy of our party and state. The most crucial factor directly causing this phenomenon is that the State Bank has now improved its management system and correctly resorted to adopting better monetary rules and regulations, such as by suspending loans to

state enterprises which are found to be operating at a loss, attracting a substantive sum of money from the public by means of increasing interest rates to absorb inflation, and refraining from printing more banknotes as a means of resolving budget deficits. In doing so, the value of the kip has remained stable at the rate of some 700 kip per U.S. dollar over the past few years.

In the past three or four years, our government has also implemented a policy to attract foreign investors to invest in our country. In the process, many laws on foreign investment have been enacted. Since then, this policy has brought about initial positive results for our country. Up to now, our government has given the green light to some 230 foreign investment projects, with a total investment of about U.S. $350 million. This is also an important factor that has contributed to the gradual improvement of our national economic foundation.

All this has created a firm foundation in the initial stage for strengthening the monetary market in our country. To achieve this goal it is necessary that various obstacles must be overcome. First of all, the natural economy and semi-natural economy need to be gradually replaced with the market economy. However, the force which is required to abolish the natural economy and the semi-natural economy is people. As an important force in national development, the people must be persuaded that their living conditions are reasonably secure.

In carrying out national development and upgrading the people's living conditions, we need funds. The question is: where will we get such funds? Certainly, that is a difficult question to answer. Nonetheless, it does not mean that there is no way to do it. Above all else, it is important that we depend on funds derived from the sources within our country. The internal funds are the money the people have saved and need not spend at the monent. They might be in the form of cash, gold, or foreign currencies, which are a major source of strength in our country. We must encourage the people to deposit them in the banks. At the same time, all state financial institutes must improve their operating systems and acquire effective finance facilities for their operations, creating confidence among the people and wooing more savings sources to deposit their money so as to meet the requirements in national development. State property—both fixed and movable, such as shelters, land, and natural resources on land, in the water, and underground—is all a great source of national funds for investment.

Moreover, we have not yet had efficient methods in managing goods prices, property, and finance in the past recent years. The management of the national economy partly relies on meager state budgets derived from revenue collected from farmers and traders. Previously, part of the external funds were contributed by the former Soviet Union and other eastern European countries. But at present such assistance has been been suspended, thus causing difficulties for our national development. At present, we have acquired new sources of funds through gratis aid given by some friendly countries and loans from international monetary institutions. It is certain that these new sources of funds are a major source of income for our country. If they are properly spent in a genuinely efficient manner, these funds can bear effective fruit and bring results.

Another important thing which will create favorable conditions for the emergence of monetary markets in our country is to encourage the general public, cadres, soldiers, policemen, and businessmen to understand the concept of setting up monetary markets. Therefore, their views toward finance work, including the development of budget funds, must be rectified. That is, everyone must implement the slogan: the expenditure incurred by all businesses is the revenue for budgets and vice versa. If everyone implements the said slogan, we will be able to acquire funds for persistently developing and making our country prosperous.

Philippines

Manila Rejects Supporting U.S. on 'No-Fly Zone'

HK1609023992 Manila BUSINESS WORLD in English 16 Sep 92 p 12

[By Jose G. Ebro]

[Text] The Philippines has rejected a U.S. request to voice support for the imposition of a "no-fly" zone in southern Iraq, a Malacanang insider disclosed recently.

He furnished Business World with a letter from Foreign Secretary Roberto Romulo to President Ramos last month explaining why the Philippines could not issue a statement condemning Iraqi violations of human rights.

According to a letter, the U.S. request, made by then-Charge d'Affaires John Finney of the U.S. Embassy, "was based primarily on the report of Max Van der Stoel to the UN Security Council on 11 August 1992, in which he recounted incidents of increased Iraqi military offensives against the Kurds and Marsh Shiites as well as Iraq's harrassment of international humanitarian workers and guards."

However, Mr. Romulo feared the U.S. request could be "viewed as an attempt to secure some form of support from other countries for possible subsequent military action it may unilaterally take against Iraq."

The foreign secretary pointed out that "neither the UN Security Council nor the Commission on Human Rights have issued statements confirming the reports (of Mr. Van der Stoel)" and that therefore "Iraq's alleged violations of UN Security Council Resolution 688 (which warns against the repression of anti-Saddam segments of the Iraqi population) still remains as such—allegations."

Mr. Romulo further observed that other countries have also been reluctant to accede to the U.S. request.

"Of primary interest to us," he stressed, "is the welfare of our nationals in the Gulf countries which will be jeopardized by another armed conflict in the area.

"Our policy should remain in support of exhausting all possible peaceful means to resolve the dispute and avoiding at all costs the unnecessary loss of innocent lives," Mr. Romulo said.

Ramos Says Manila Not Pursuing Sabah Claim

HK1609022292 Quezon City Radyo ng Bayan in Tagalog 1055 GMT 15 Sep 92

["Press statement" by presidential spokesperson Annabelle Tecson Abaya—live or recorded; in English; place not given]

[Excerpt] President Fidel V. Ramos today confirmed the statement made by Foreign Affairs Secretary Roberto R. Romulo in Malaysia on Monday [14 September], that the executive department will maintain its position of not pursuing the Philippine claim to sovereignty over Sabah. This position is based on the Philippines desire to contribute to ASEAN solidarity and peace and stability in Southeast Asia.

The president stressed that the government's policy is without prejudice to the proprietary rights of the heirs of the Sultan of Sulu. He also pointed out that any legislation required to give effect to the policy would of course need the concurrence of both houses of Congress. [passage omitted]

First-Half Trade Deficit Up 28% Over 1991

HK1609024992 Manila THE CHRONICLE in English 16 Sep 92 p 9

[Text] The country's trade deficit for January to July this year soared to $2.47 billion or by $508 million, indicating a 28% climb from the $1.96 billion posted during the same period in 1991.

Merchandise exports in July amounting to $834 million grew by 3.1% from the year-ago level of $794 million and inched up by only $4 million compared to last month's $830 million. Articles of apparel and clothing accessories continued to gain substantial earnings during this month compared to 1991. Its income amounted to $192.61 million up by $24.07 million or 14.3% over the same month last year. The articles, thus, remained as the country's top exports for the month. However, electronics and components which posted a value of $128.52 million had a downtrend on a monthly and annual bases. Despite this decrease, however, it retained its number two top exports position.

The other leading commodities that contributed to the growth of exports were: coconut oil valued at $41.71 million; ignition wiring set and other wiring sets used in vehicles, aircrafts and ships, $28.53 million; and woodcraft and furniture, $26.44 million.

For the month under review, the country made its first shipment of 415,822 barrels of light crude oil from the Linapacan discovery field to a Texas-based company, generating about $6.8 million in export earnings.

From January to July this year, total export earnings stood at $5.384 billion, up by 7.7% over last year's $5 billion. However, imports logged a hefty 12.8% growth, thus wiping out the gains in exports. For the first seven months of the year, imports registered $7.86 billion, up from last year's $6.965 billion. For July alone, imports which totalled $1.165 billion, notably rose by $139 million or 19.6% from the $1.028 million reported in July last year and also up by $81 million or 7.4% against June 1992.

The biggest import expenditures for July were for mineral fuels, lubricants and related materials, worth $145.44 million. This was equivalent to 12.5% of the total imports. Electronics and components valued stood at $140.31 million. Importation of machinery and equipment other than electric reached $126.39 million; textile yarn, fabric made up articles and related products, $94.68 million; and base metals, $89.72 million.

As of presstime, 90 out of 30,180 export documents and 59 out of 30,522 import documents were still expected from ports.

Muslim Leader Named as Unification Panel Adviser

HK1509050692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 14 Sep 92

[Text] President Fidel V. Ramos has appointed a Muslim community representative as National Unification Commission [NUC] adviser. The president made the announcement following appeals made by Muslim leaders in Zamboanga City. Ramos said the move is one way for Muslims in Mindanao to have a voice in the NUC. He added that the effort shall effect lasting unity among Filipinos.

Ramos Opposes Foreign Venue for Peace Talks

HK1509050492 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 14 Sep 92

[Text] President Fidel V. Ramos has opposed the National Democratic Front's proposal for the government to send an emissary to the Netherlands to settle the issue of where the planned peace talks should be held.

The president said the formal peace talks must be held in the country, not abroad. He added that sending an emmisary to the Netherlands is expensive, and that is why he opposed such a proposal. He further stressed there is no need to hold peace talks outside the country, since the issue to be discussed is internal in nature. Holding talks outside the country, Ramos said, might not present a good impression to other countries.

De Villa Says Peace Talks Should Include Honasan

HK1609032892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 15 Sep 92

[Text] Defense Secretary Renato de Villa has firmly agreed with the principle that the government should not set aside former Colonel Gregorio Honasan's participation in the proposed peace talks.

According to De Villa, Honasan still has a strong influence on military rebels, and that is precisely why he should not be neglected if the government wants to achieve national peace.

On the issue of granting a safe conduct pass to Honasan, De Villa said the renegade colonel must first apply for the pass before it is granted. De Villa added that, as long as Honasan does not have the pass, the military can still arrest him.

NPA Chief on Military's Improved Peace Efforts

HK1609050492 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 15 Sep 92

[Text] New People's Army [NPA] chief Romulo Kintanar has said that, despite the ongoing battle between the Armed Forces of the Philippines [AFP] and the New People's Army, he believes there has been a certain degree of improvement in the military's peace efforts.

In an interview with DWIZ, Kintanar said that the military under the Marcos regime was rude in comparison with the present configuration and added that the AFP's improvement has been brought about by organizational changes which have given its members more political awareness.

Kintanar cited some military officers as examples, particularly pointing to General Arturo Enrile who, he said, has an open mind toward members of the Communist Party of the Philippines.

NPA Chief Urges Release of All Detainees

HK1509114192 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 15 Sep 92

[Text] Romulo Kintanar, head of the New People's Army [NPA], has urged President Ramos to unconditionally release all political detainees. Kintanar said he and Satur Ocampo [National Democratic Front spokesman] were not released from detention by the Ramos administration because of its amnesty program. Kintanar said they were released because the charges filed against them had no merit. Kintanar also said nothing will come of the peace negotiations if they are not conducted abroad, and other political rebels will be vulnerable if peace talks are held in the Philippines.

Thailand

Parties Agree To Name Chuan as Prime Minister

BK1509140392 Bangkok Radio Thailand Network in Thai 1300 GMT 15 Sep 92

[Text] According to a report from the Public Relations Department correspondent, leaders of the former opposition parties—Democrat, New Aspiration, Phalang Tham, and Solidarity—met at the Siam City Hotel in Bangkok today. Attending the meeting were Chuan Likphai, leader of the Democrat Party; Phisan Munlasatsathon, secretary general of the New Aspiration Party; Banyat Banthatthan, deputy leader of the Democrat Party; Uthai Phimchaichon, leader of the Solidarity Party; Chaiyot Sasomsap, secretary of the Solidarity Party; Colonel Winai Somphong, member of the executive commmittee of the Phalang Tham Party; Squadron Leader Prasong Sunsiri, adviser to the Phalang Tham Party; and Dr. Udomsin Sisaengnam, secretary general of the Phalang Tham Party.

Speaking to correspondents at the hotel after the meeting at 1430, Chuan Likphai said that the four parties agreed during the meeting to form a government with himself as the prime minister. The Democrat Party will select the new House speaker, who will also serve as chairman of the National Assembly, while other parties in the coalition will select deputy House speakers. The House speaker will countersign the royal decree appointing the prime minister. Chuan Likphai said that the absence at the meeting of General Chawalit Yongchaiyut, leader of the New Aspiration Party, and Major General Chamlong Simuang, leader of the Phanglang Tham Party, did not cause any problems because they sent their representatives to attend the meeting and reaffirmed their pledge to jointly form a government.

Asked if a fifth party will be invited to join the coalition, the Democrat leader said that the four parties have commanded a sufficient majority vote in the House. However, this issue will be discussed after the appointment of the House speaker and his deputies.

Coalition Fails To Agree on Fifth Partner

BK1609010792 Bangkok BANGKOK POST in English 16 Sep 92 pp 1, 3

[Text] Members of the prospective four-party coalition failed to reach agreement yesterday on the choice of a fifth coalition party to consolidate its strength in Parliament.

The Democrat Party, the core party in the formation of the new government, wants to bring in former prime minister Chatchai Chunhawan's Chat Phatthana Party [CPP] but the three other alliance parties—New Aspiration [NAP], Phalang Tham [PTP] and Solidarity—prefer the Seritham Party.

Leaders of the four-party alliance did manage to strike an agreement during their meeting at a Bangkok hotel

yesterday to proceed with the nomination of the House Speaker and prime minister first and resolve differences over the fifth party later.

Under this arrangement, a senior Democrat member will be nominated House Speaker while party leader Chuan Likphai will become prime minister. The House Speaker will nominate the prime minister.

The differences emerged amid reports that CPP may try to form an alternative coalition by drawing NAP out of the alliance and offering its leader Gen Chawalit Yongchaiyut the prime minister post. The reports were, however, rejected by the NAP leader.

Reliable sources, meanwhile disclosed that CPP had conveyed a message to the Democrats seeking to be included in the negotiations over the new Cabinet lineup and expressed concern over the alliance's decision to give priority to the first four members of the alliance.

Gen Chawalit, in a specially organised interview with a group of reporters at his home at Soi Ratchakhru, about 700 metres from Gen Chatchai's residence, reaffirmed that NAP will remain with the four-party alliance and he will not betray them.

Leaders and representatives of the Democrat, NAP, Phalang Tham and Solidarity parties met at the Siam City Hotel yesterday to reaffirm their support for Mr Chuan as prime minister.

Gen Chawalit and de facto Phalang Tham leader Chamlong Simuang did not attend the meeting but sent their negotiators instead.

NAP was represented by deputy leader Wira Musikaphong and secretary-general Phisan Munlasatsathon while Phalang Tham deputy leader Winai Somphong, secretary-general Udomsin Sisaengnam and adviser Prasong Sunsiri stood in for Maj-Gen Chamlong.

Gen Chawalit, down with a cold, couldn't attend yesterday's meeting.

He said the Democrats, NAP, Phalang Tham and Solidarity have announced they would jointly form the coalition and this agreement will stand.

Reliable alliance sources said the Democrats were prepared to include CPP as the fifth coalition partner but NAP, PTP and Solidarity preferred Seritham.

The Democrat-led alliance has agreed to bring in a fifth member to consolidate its strength in the House of Representatives where with 185 MPs it only enjoys a slim majority.

CPP with 60 MPs under its wings could boost the strength of the coalition to 245 seats if invited to join the Democrat-led government.

Solidarity leader Uthai Phimchaichon said yesterday that the stability of a coalition does not depend on the number of MPs and having too many could also undermine the coalition's own stability.

NAP won 51 seats and Phalang Tham 47. If CPP was chosen as the fifth partner it would become the second largest party in the coalition, the source reasoned.

"The absence of NAP leader Gen Chawalit and Maj-Gen Chamlong at today's (yesterday's) meeting was a clear indication of disagreement in the four-party alliance," the CPP source said.

Because of the disagreement the alliance could only reach agreement on the post of House Speaker and prime minister. All coalition members agreed to give the prime minister post to Mr Chuan and gave the Democrats a free hand to pick the House Speaker.

The Democrat team for the meeting was led by Mr Chuan. Assisting him were party secretary-general Sanan Khachonprasat and Niphon Promphan.

Mr Chuan said the four parties reaffirmed their agreement to form the next coalition and had nominated him as the next premier.

The meeting also agreed to follow the Constitution and seek a royal decree to convene Parliament to appoint the House Speaker who will countersign a royal command to appoint the new premier.

The four parties will meet again to decide which party should be included as the fifth coalition partner.

He insisted that the-four-party alliance had no problem in their attempt to form the government and he intended to formally inform the Parliament secretary-general in two days to seek a royal command to convene Parliament.

"We do not need a written agreement to reaffirm our unity because we don't question each other's sincerity," Mr Chuan said.

He pointed out that the four parties will resume discussing the prospect of inviting a fifth party to join the coalition only after the House Speaker and prime minister have been formally appointed.

Col Winai, responding to reporters, said the PTP has not stated the party's stand on its choice of the fifth party because it wanted to follow thesteps the alliance agreed on in forming the coalition.

Mr Chuan also said the alliance has so far not discussed the role of Gen Chawalit and Maj-Gen Chamlong because it wants to proceed with coalition formation on a step-by-step basis.

The alliance has not started working on the quota for each party either, he said.

He said, however, other political parties had the right to form a coalition of their own but the four-party democracy alliance is sticking together.

Sqn Ldr Prasong while affirming PTP support for the Democrats as the core of the coalition government insisted that Maj-Gen Chamlong had never said that he would not accept a Cabinet portfolio.

He said Maj-Gen Chamlong will clarify this to the public later.

Mr Banyat said the alliance will keep its door open for the fifth party but reiterated that it does not want the coalition to be loaded with MPs.

Meanwhile, Maj-Gen Sanan said that any poltical party interested in joining the alliance should submit their proposals stating their terms so that it will make it easier for the alliance to decide.

Senior party member Trairong Suwannakhiri reaffirmed that the Democrats must take charge of the interior ministry portfolio among other key ministries.

"Without the Interior Ministry, the prime minister post will be meaningless," he said.

Attention to Competence in New Cabinet Urged

BK1609031192 Bangkok THE NATION in English 16 Sep 92 p A6

[Text] The four former opposition parties wisely consolidated their alliance yesterday to end all speculation and rumours about an imminent break-up. They agreed to let the Democrat Party nominate a new House Speaker and back Democrat Party leader Chuan Likphai for the new premiership.

The New Aspiration Party [NAP], the second largest party in the alliance, quickly endorsed the agreement formally, thus dashing the hopes of certain opponents of luring NAP leader Gen Chawalit Yongchaiyut away from the "angelic" coalition by offering him the premiership in an alternative coalition. Such a devilish ploy cannot work as long as the four parties in the majority alliance (Democrat, New Aspiration, Phalang Tham and Solidarity) stay united and put aside their differences—at least until after they have formed a new government.

The four parties are living up to the expectations of their supporters by staying together and honouring their common pledge, given during the May crisis, to form a prodemocracy government as soon as the chance arises. Those who were killed while opposing the illegitimate government of ex-army chief Gen Suchinda Khraprayun in May didn't die in vain.

After securing the posts of House speaker and premier, the Democrat Party must now resist the temptation to snare all the key Cabinet posts for its own members. Though Democrat is the largest party, it has only 79 MPs in the 360-member House. Without the support of its three allies, Chuan's dream of being premier may remain just that.

The Democrats must be accommodating when discussing the allocation of Cabinet posts with their allies. Similarly, all four parties should first consider whether they have the qualified personnel to run a particular ministry effectively before laying claim to the portfolio. They also should not hesitate to invite outsiders—who are top professionals in their respective fields—to join their Cabinet. After all, their common goal is to form a Cabinet of the best and the brightest, not a Cabinet of the most powerful and greediest as in the recent past.

Since the four-party coalition has only 185 MPs, it will most likely co-opt a fifth partner after Chuan's appointment as premier. With both the House speaker and the premiership in their hands, the Chuan coalition will have immense bargaining power when shopping for that stabilizing fifth partner.

So far only three choices are apparent: the Seri Tham (Liberal Democratic) Party of ex-House Speaker Dr Athit Urairat, which has eight MPs; the Social Action Party of Montri Phongphanit, 22 MPs, and the Chat Phatthana (National Development) Party of former premier Gen Chatchai Chunhawan, 60 MPs.

Bringing in Seri Tham will do the least damage to the "angelic" image of the Chuan coalition. During the election campaign, Seri Tham portrayed itself as a new centrist party for a new generation, and its leader as the "Democracy Hero" who wasn't afraid to put the national interest before party interest.

However Seri Tham's weakness is the presence of Santi Chaiwirattana, a veteran politician from Chaiyaphum with a dubious reputation. When Santi left the promilitary Samakkhi Tham party to join Chat Thai, he discovered that its team in his northeastern province didn't include him. So he blithely skipped over to Seri Tham at the last minute and succeeded in getting reelected. Santi was a deputy interior minister in the Chatchai administration whose credibility was badly damaged by relentless grilling in a parliamentary no-confidence debate spearheaded by Phalang Tham MPs. Santi became such a serious political liability that Chatchai had to drop him in a subsequent Cabinet reshuffle in 1990.

Co-opting either Social Action or Chat Phatthana will expose the Chuan coalition to the criticism that it is taking into its fold a "devilish" party for the sake of political expediency. Chatchai is only deceiving himself when he harps on about the tiresome claim that Chat Phatthana is "only two months old". It in fact is comprised chiefly of hard-core executive members from the two main parties in the Suchinda coalition—Chat Thai and the now-defunct Samakkhi Tham Party.

Chatchai's "sacrifice" in foregoing a Cabinet post if Chat Phatthana is invited into the Chuan coalition is hardly a concession—Montri is willing to do the same if his Social Action is co-opted. Moreover the Chuan coalition is not

going to give any Cabinet posts to the so-called "unusually wealthy" politicians—and that includes Chatchai and Montri—anyway.

Chat Phatthana would be the second largest party in Chuan group, if it is allowed to become a member, and there's no doubt it would demand a sizeable chunk of the Cabinet pie. But giving the coalition a majority of 245 MPs in the 360-member House doesn't necessarily mean the Chuan administration can automatically expect permanent stability. Like any other major party, Chat Phatthana is riven with factions and is showing signs of serious internecine strife; this may turn out to be a source of instability in the long run.

Social Action, on the other hand, is well under Montri's control. The party's 22 MPs will increase the strength of the four-party coalition to 207 members, well above the 200 mark regarded as necessary by most leaders of the coalition. Apart from Montri, the only other MP in the party whom the coalition may not want to see in the Chuan Cabinet is Piyanat Watcharaphon, spokesman for Social Action and a vocal defender of the Suchinda administration during the May crisis.

When the coalition decides which party to co-opt, this point must be borne in mind: A government's stability and durability depend not only on its numerical strength in the House, but on the public perception of its legitimacy.

Military Said To Support Chuan as Prime Minister

BK1609024192 Bangkok THE NATION in English 16 Sep 92 p A1

[Text] Democrat Party leader Chuan Likphai appears to be the favoured choice for prime minister of Army Commander in Chief Gen Wimon Wonganit, a source close to the military top brass said yesterday.

Meanwhile, deputy Army Chief of Staff Yutthana Khamdi said yesterday that Democrat Party leader Chuan Likphai is a suitable choice for the post of prime minister.

"He is a good person and he has been chosen by the people," Lt Gen Yutthana said.

"And the country will progress with peace. Who else will be suitable for the post?... All sides should accept what has been agreed to by a majority of the public."

Yutthana said he believed the four pro-democracy parties would form a stable and long-lasting government.

The source said Wimon several times had mentioned Chuan during talks with his close aides or friends, although the Army chief has always refrained from publicly stating his support for any political party or politician.

"Although Chuan is a small guy, he is a capable man. The way he talked showed he is a reasonable man," the source quoted Wimon as saying.

The source said the Army chief made his personal comment during the run-up to Sunday's election when the Democrats were promoting the idea that Chuan would become prime minister if the party captured the most House seats.

The Democrat leader also seems to be well-liked by several other Army top brass, according to the source. Deputy Army Commander in Chief San Siphen appears to be among the Army senior officers who personally like Chuan.

Shortly after the downfall of the Suchinda administration following the May bloodshed, San, who was then assistant Army chief, said he favoured Chuan as prime minister.

"It will be best to have Chuan as prime minister. He is a compromising man so he is the right man when the country needs reconciliation and unity," San said before the formation of the second Anan government.

First Army Region Commander Chettha Thanacharo also thinks Chuan is a good man.

"In my personal view, Chuan is a good person. Everybody says he is good," Lt Gen Chettha said yesterday when asked to comment on whether Chuan was qualified to become prime minister. But Chettha hurriedly added soldiers would not intervene in the formation of the government because "the military is a government mechanism".

"We are pleased with everything which is in accordance with the rules," Chettha said when asked to comment on the prospect of an elected government.

Asked who should become the next defence minister, Chettha said: "Anyone. If he is appointed according to rules, we soldiers will accept him. My bosses have also made similar statements on this matter".

Meanwhile, Air Force Chief of Staff ACM [Air Chief Marshal] Samat Sotsathit said the military would not mind who became the next defence minister as long as he was a capable person.

PollWatch chairman Kasem Suwannakun yesterday said he thought Chuan was suitable for the post of prime minister. Kasem, also deputy prime minister and university affairs minister, said he hoped the next government would last for four years but that would depend upon the performance of cabinet ministers.

Released Fishermen in SRV Wait To Return Home

BK1609022792 Bangkok THE NATION in English 16 Sep 92 p A2

[Text] Thai fishermen released under an exchange programme between Thailand and Vietnam have been waiting for weeks in Ho Chi Minh City for Thai authorities to provide accommodation funds and air tickets.

Vietnamese Ambassador to Thailand Nguyen Trung last week said Hanoi already had freed Thai fishermen detained for violating its territorial waters. Under the agreement reached by the prime ministers of both nations, each country would arrange air tickets and accommodation funds for released fishermen to return home.

"Vietnam has already released Thai fishermen who are now at an airport ready to return home. But they cannot do so as the Thai side has not yet provided them with accommodation funds and air tickets," the envoy said. He could not recall how many fishermen were affected.

An informed source had said Hanoi released 57 Thai crewmen from its jails. Almost 1,000 Thai fishermen are reportedly detained in Vietnam. The agreement agreed to by Prime Minister Anan Panyarachun and his Vietnamese counterpart Vo Van Kiet in July is an attempt to create an atmosphere of cooperation in mutual fisheries interests and pave the way for settling longstanding fishing disputes.

A Foreign Ministry official, who asked for anonymity, yesterday said the delay in bringing the Thai fishermen home was due to a technical problem. The official said the fishermen had been released from a jail in Binh Hai Province and taken Ho Chi Minh City. It was unclear when the fishermen were released from the jail.

He said Thai Airways International [THAI] had already issued air tickets for the fishermen. Initially the tickets were ordered to be available at the THAI office in Hanoi, not Ho Chi Minh City where the fishermen are staying. The same had happened with the accommodation sum which had been transferred by cheque to Hanoi, the official said.

Officials at the new Thai consulate-general in Ho Chi Minh were speeding up efforts to end the delay by issuing new air tickets and transferring the sum from Hanoi to Ho Chi Minh, he said.

EC Claims Tape Piracy Not Yet Reduced

BK1609095092 Bangkok Radio Thailand Network in English 0000 GMT 16 Sep 92

[Text] The new government and House of Representatives will be faced with an urgent task to solve problems on copyrights with the European Community, EC. Deputy Minister of Commerce M.R. Pridiyathon Thewakun said that the EC stated that violations of rights of music tapes had not been reduced, and prosecution of violations in Thailand was found to be lax. The minister said that Thai authorities gave explanation that measures to punish violators had been considered in the House of Representatives. EC had asked for confirmation on the solving of the problem in [words indistinct] so that it could rest assured on future undertaking by the government and the parliament in the future.

Air Force Commander Comments on New Antiriot Unit

BK1309071092 Bangkok Radio Thailand Network in Thai 0530 GMT 13 Sep 92

[Text] Commenting on the establishment of an antiriot unit, Air Force Commander Air Chief Marshal Kan Phimanthip told reporters this morning that this is the task of police. He added that the government has reportedly approved the establishment of the said unit, which will be fully equipped and staffed. He himself agreed with the decision to let the police handle this task.

Measures Proposed for Better Handling of Unrest

BK1309045592 Bangkok THE NATION in English 13 Sep 92 pp A1-A2

[Text] The Anan Cabinet yesterday assigned the Juridical Council to draw up new legislation giving the Cabinet greater say in handling emergency situations and mobilizing military forces for "necessary crackdowns" on riots or urban unrest.

The measures were part of a package of proposals submitted by the govemment committee investigating the May violence.

The full fact-finding report on the May 17-20 events have been embargoed for seven to 10 days, according to Prime Minister Anan Panyarachun. Only the sources of the information will be withheld, he said.

Anan did not explain why the report was not immediately released, but it was understood that the government did not want public disclosure to affect today's nationwide poll.

The Cabinet endorsed the proposals at its last meeting on the eve of the election. Its resolutions would materialize only if they were followed up by the next govemment of elected MPs.

Anan told reporters that the committee chaired by Sophon Ratthanakhon proposed 12 measures which all won approval from a screening committee headed by Deputy Prime Minister Dr Kasem Suwannakun and the Cabinet. The Cabinet added another measure to the list at its deliberation yesterday, he said.

The measures were tailored to prevent a possible recurrence of the bloody suppression of pro-democracy protests in May. Former prime minister Gen Suchinda Kraprayoon, former interior minister ACM [Air Chief Marshal] Anan Kalintha and their military supporters in the armed forces were accused of applying heavy-handed measures in dlspersing the pro-democracy demonstrations.

The proposed measures are as follows:

Scrap the National Peacekeeping Command Director Act which has become unnecessary in the present situation and which lacks the mechanism to control the use of

legal powers. The Juridical Council was instructed to draft a law to terminate it and propose it to the new government.

Amend the outdated Act on Administration in Emergency Situations and the Martial-Law Rule Act to require the Cabinet to exercise its legal powers. The two acts currently give the prime minister and the interior minister exclusive powers.

The Juridical Council was instructed to consult with the Interior Ministry and the Defence Ministry in drawing up amendments which can be proposed to the new Cabinet.

Amend the Defence Ministry Administration Act, particularly Article 4 on the mobilizing of military force to handle riots and rebellions. The aim of the amendment was to ensure that such mobilization needs prior consent from the Cabinet.

The Defence Ministry was instructed to study the possibility of amending the law and report it to the Cabinet.

Seek foreign assistance and training for Thailand's antiriot forces. The Police Department was instructed to carry out the measure

Restrict the military's role in antiriot actions or quelling urban unrest while promoting the professional role of the military.

The military could participate only under "special circumstances" which were left undefined.

The Juridical Council was instructed to take this into consideration in drawing up amendments to the Act on Administration in Emergency Situations and the Martial-Law Rule Act.

The Juridical Council was assigned to draw up new legislation to regulate demonstrations. The move was designed to increase the public's awareness on the meaning of and limitations on the freedom to demonstrate.

The Interior Ministry, the Defence Ministry and the Civil Service Commission were instructed to work out plans to introduce subjects on human rights in the curriculums at military, police and administrators academies. At the same time, the public should also be educated on their legal rights and limits in demonstrations and protests.

The PM's Office was instructed to review and revise regulations on national security.

Vietnam

U.S. MIA Team Unearths Bomb at Crash Site

BK1509122092 Hanoi Voice of Vietnam in English 1000 GMT 15 Sep 92

[Text] A U.S. team searching for clues about Americans missing in the Vietnam War had to stop excavating a plane crash site when they unearthed an unexploded American bomb. The U.S. group was one of the five teams comprising 51 American experts that have been carrying out investigations in ten central and southern Vietnamese provinces since August the 20th.

It is the 19th joint search effort the United States has mounted with Vietnamese authority since 1988 to find remains for missing U.S. servicemen.

'Success' of 10th Nonaligned Summit Welcomed

BK1209052692 Hanoi Voice of Vietnam in English 1000 GMT 10 Sep 92

["Article welcoming the success of the 10th Nonaligned Summit"]

[Text] Vietnam's determination has been expressed clearly by Vietnamese officials. On his way back home, Vietnamese Deputy Foreign Minister Le Mai told newsmen at Tan Son Nhut airport, that the 10th Nonaligned Summit was a success. The summit opened up a trend for strengthening cooperation between the countries in the region and it served the aims of the movement. President Vo Chi Cong, who was heading the Vietnamese delegation to the conference said that the summit affirmed the existence and continued activities of the Nonaligned Movement with the goals of peace, security, independence, and sovereignty, and the development of nations. In an interview granted to the daily NHAN DAN, Mr. Cong said that the fighting character of the movement has been expressed through the active support of the member countries to the circle of nations against oppression, outside intervention. He affirmed that the development of relations with the Nonaligned Movement follows along the strategic line of Vietnam's foreign policy. President Vo Chi Cong extolled Indonesia's active role in the movement. On Vietnam-Indonesia relations, he affirmed that a new page has been turned in the development of bilateral relations with strong steps of development in both scale and scope. He predicted that in the future the kinship and cooperation between Vietnam and Indonesia will see fine development.

Conclusion of, Reaction to Do Muoi India Visit

Delegation Visits Calcutta

BK1309152792 Hanoi VNA in English 1438 GMT 13 Sep 92

[Text] Hanoi VNA Sept. 13—The Vietnamese high-level state delegation led by party General Secretary Do Muoi on Sept. 11 visited Calcutta, capital city of West Bengal, the last leg of its current official visit to India.

Sept. 12, the last day of its visit to Calcutta, was a particularly busy day for the delegation.

In the morning Do Muoi and his party called on the Rabindranath Tagore and Victoria museums, the Garden Reach Shipyard and the Indian Tea Company.

In the afternoon the Government of West Bengal held a mass meeting at the Netagi Stadium to welcome the Vietnamese delegation.

The Vietnamese delegation left Calcutta today for home, concluding its five-day official friendship visit to India.

Delegates Depart for Hanoi

BK1309121292 Hanoi Voice of Vietnam in English 1000 GMT 13 Sep 92

[Text] The high-level state delegation of Vietnam led by party General Secretary Do Muoi left Calcutta for Hanoi Sunday [13 September], concluding its official friendship visit to India.

Speaking at a reception before his departure, the Vietnamese party leader said: the Indian leaders and we are of the same view on the assessment of international and regional situations, and especially on the guidelines for bringing Indo-Vietnamese relations to a high level which is more comprehensive and effective in the interests of our two countries for the sake of peace, cooperation, and development in the region and in the world.

'Cooperative Relations' Consolidated

BK1509061092 Hanoi Voice of Vietnam in English 1000 GMT 15 Sep 92

[Station commentary]

[Text] After five days visiting and working in India, the Vietnamese high-level state delegation led by party General Secretary Do Muoi concluded its official visit to India on Sunday. The visit has contributed to consolidating the cooperative relations between Vietnam and India. The joint Indo-Vietnam statement and the interview granted by party General Secretary Do Muoi to a correspondent of the Hanoi major paper NHAN DAN clearly reflected this idea.

A joint statement was issued at the end of the visit by the Vietnamese delegation affirming the two countries' determination to consolidate and strengthen their traditional friendship and comprehensive cooperation. The Indian and Vietnamese leaders reaffirmed their faith in the pursuit of foreign policies characterized by sincerity, love for peace and harmony, and based on the diversification and globalization of the economic sphere. They stressed their desire to develop friendship and cooperation on the basis of equality and mutual benefit with all other countries in the region and the world.

Vietnam highly valued India's role and positive contribution to peace, friendship, cooperation, and development in South Asia and the Asia-Pacific.

India highly valued and appreciated Vietnam's open foreign policy and its active contribution to the maintenance and consolidation of peace, stability, and cooperation in Southeast Asia and the Asia-Pacific region.

Regarding the Cambodian issue, the two sides agreed that in order to ensure peace and stability in Cambodia, it is necessary for all the Cambodian parties to continue to work in the same spirit of national reconciliation, harmony, and cooperation which characterized the signing of the Paris agreement.

In an interview granted to a correspondent of the Hanoi major newspaper NHAN DAN, Party General Secretary Do Muoi stressed Vietnam's resolve to bring the Indo-Vietnam relations to a new level ensuring the happiness and prosperity of the people of both countries.

The Hanoi paper NHAN DAN on Monday said in its editorial that the Indo-Vietnam relationship sets the model for South-South cooperation.

Areas of 'Consensus' Viewed

BK1609093392 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 14 Sep 92

[Article by Nguyen Chan: "Warmly Welcome the Success of Our Country's High-Level Delegation's Visit to India"]

[Text] The official friendship visit to India by our high-level state delegation led by Comrade General Secretary Do Muoi has concluded successfully, marking a new development in bilateral relations and contributing to the cause of peace and development.

The results of the visit testify to the two countries' consensus on many issues of common concern. The aspirations of Vietnam and India are to pursue foreign policies of peace, independence, and development. The two countries share the same desire to expand their friendly relations of equal cooperation and mutual benefit with all countries, first of all with countries in the region. It is Vietnam's policy to befriend all nations in the world community in its struggle for peace, independence, and development. As for India, as Prime Minister Narasimha Rao put it, it is India's desire to develop closer ties of friendship and cooperation with countries in Southeast Asia where India has established cultural and economic ties since ancient times.

In execution of a correct, and goodwill foreign policy and through its visit to India this time, our high-level state delegation reiterated Vietnam's desire to normalize relations with China and improve and broaden its ties with ASEAN member countries. Our delegation also ascertained India's worthy role and important position in Southeast Asia and the Asia-Pacific region. Vietnam warmly welcomes India's active participation in the political and economic process in the region.

As for India, Prime Minister Narasimha Rao expressed his full support for Vietnam's foreign policy. He said:

Today, more and more nations of the world are deeply conscious of the need for peace and stability as a prerequisite to economic development. We, therefore, welcome the emergence of a new climate of mutual trust in Southeast Asia.

On this occasion, along with their consensus on international issues, the two countries discussed and reached consensus on other matters, thus manifesting the bright prospects of their consensus in other areas, especially in the economic domain. It can be said that this fact marks another outstanding trait of the new development of the Indo-Vietnamese relations. As far as this issue is concerned, Comrade General Secretary Do Muoi expressed his satisfaction at the progress that Vietnam and India have made in recent years in economic, trade, and scientific-technological cooperation. He also stressed the great potential for cooperation which should be better exploited.

As for the Indian side, Prime Minister Narasimha Rao said: India always stands ready to share its development experience with Vietnam. Furthermore, he expressed the belief that the Indo-Vietnamese cooperation would set a good example for other developing countries. He also expressed the hope that the ongoing reform processes in the two countries would create a favorable climate for better economic cooperation.

As a vivid example of this development, one can cite the fact that at a meeting in March 1992, the Indo-Vietnamese Joint Commission reached consensus on some new areas for cooperation, including agriculture, industry, communications, and science and technology.

During its official friendship visit to India this time, our high-level state delegation also witnessed many working sessions between Vietnamese and Indian officials in charge of economic, scientific-technological, and military affairs. At all these meetings, both sides exchanged views on the prospects for broadening bilateral cooperation and expressed the hope that this cooperation would bring about more effective results.

On this occasion, our people would like to express our sincere gratitude to the Indian Government and people for their valuable support and assistance reserved for our task of building and defending the Vietnamese fatherland. We are also highly moved by the sincere sentiments that our Indian friends had expressed through Prime Minister Narasimha Rao's speech at a banquet in honor of our high-level state delegation led by General Secretary Do Muoi. The Indian prime minister said: Today, I would like to declare our full support for and cooperation with your momentous task of national reconstruction and development. A strong and economically vibrant Vietnam is an asset to our region and will contribute to peace and stability both in Asia and the world.

On this occasion, as the comrade general secretary put it, the Vietnamese people noted with great pleasure the achievements of our Indian friends. We strongly believe that the Indian people under the clear-sighted and dynamic leadership of the Indian Government led by His Excellency Prime Minister Narasimha Rao, and with their strengthened national unity and consensus, will certainly be successful in their economic reforms, firmly taking India onto the path of growth and prosperity.

Visit 'Landmark of Great Significance'

BK1409074892 Hanoi VNA in English 0526 GMT 14 Sep 92

[Text] Hanoi VNA Sept. 14—The national daily NHAN DAN in an editorial today welcomes the success of the freshly-concluded six-day visit to India by the high-level Vietnamese delegation led by party General Secretary Do Muoi as "a model of South-South cooperation".

The paper says: "The visit constitutes a new landmark of great significance in the time-honoured traditional friendship between Vietnam and India built on the basis of similarities in the independence fights and national construction of both countries. The friendship and cooperation between Vietnam and India, both being developing and non-aligned countries, may be considered a model of South-South cooperation which should be strengthened and multiplied. The success of the visit is a new factor contributing to further promoting and consolidating the Vietnamese-Indian relations, opening new prospects for mutual cooperation in the interests of the two peoples and for peace, national independence, cooperation and development in the region and across the world".

For its part, QUAN DOI NHAN DAN editorially says:

"The state India visit by the high-level Vietnamese delegation bears on extremely special importance at a time when profound changes have occurred in the international and regional situation and the Non-Aligned Movement has seen new steps of development following its 10th summit in Jakarta, the promotion of the relations between Vietnam and India would create favourable conditions for stepping up South-South cooperation and positively contributing to the successful settlement of political, economic and social questions in each countries".

Russian Decision on SRV Workers Reported

BK1309103992 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 4 Sep 92

[Text] The Moscow Youth Newspaper reported on 3 September that the Russian Government had issued a decision allowing the hiring of Vietnamese workers in Russia. The decision says that when arriving in Russia, all Vietnamese citizens from 18 to 40 years of age must carry their health certificates together with their limited baggage. They will be put in hostels. A part of their salaries will be paid to them and the rest will go to the Vietnamese enterprises that arranged for them to work in Russia.

Joint Venture With Thailand Officially Begins

BK1309092192 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 29 Aug 92

[Text] The Vietnam Gemstones Company, a joint venture between Vietnam and Thailand, officially began business on 28 August 1992. Attending the inauguration were representatives from the Thai and Australian Embassies, the Vietnam Science Institution, the Ministry of Commerce and Tourism, and related offices.

The Vietnam Gemstones Company is the first joint venture between the two countries in gemstone cutting, polishing, and trading in Hanoi. Mr. Raymong (Ethtol) was appointed as the chairman of the board of management. The joint venture will provide more jobs for Vietnamese jewelry and gemstone industry and will also contribute to the improvement of the Vietnamese economy.

At present, the transportation to Vietnam of all the modern equipment for the testing and evaluation of gemstones have been arranged. The cutting, polishing equipment and foreign specialists are already in Hanoi. Training courses for Vietnamese workers will start in October.

Surely, with our government's support, the company will contribute to the development of the Vietnamese gemstone industry and end the common exploitation and smuggling of gemstones in some localities.

Accord Reached With Thailand on Oil Exploration

BK1509042692 Hanoi Voice of Vietnam in English 1000 GMT 14 Sep92

[Text] Thailand and Vietnam have reached an agreement to jointly exploit offshore petroleum resources in waters claimed by both countries. The Thai Foreign Ministry's permanent secretary, Suchinda Yungsunthon, said the two countries would draw up joint development schemes to exploit untapped natural resources such as natural gas and crude deposits on the southeastern fringe of the Gulf of Thailand.

Lao Party Officials Pay Visit 27 Aug-9 Sep

BK1109152192 Hanoi VNA in English 1408 GMT 11 Sep 92

[Text] Hanoi VNA September 11—A delegation of the control commission of the Lao People's Revolutionary Party (LPRP) Central Committee led by Mrs Damvon Vongsak, alternate member of the LPRP Central Committee and permanent vice president of the commission, visited Vietnam from Aug. 27-Sept. 9 under a cooperation plan between the two parties' control commissions.

During its stay here, the delegation had working sessions with the CPV [Communist Party of Vietnam] Central Committee's control commission and the state inspectorate on the organisation, tasks, contents and methods of operation of the control bodies at various levels of the Vietnam Communist Party and the Vietnam State Inspectorate. The delegation called on Bac Thai and Thanh Hoa Province.

The delegation was received by Do Quang Thanh, secretary of the party Central Committee and head of the party Central Committee's Control Commission. Lao Charge d'Affaires A.I. to Vietnam Southavilai was also present at the reception.

Greetings Sent to Laos on Anniversary of Ties

BK1209153992 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Sep 92

[Text] On the occasion of the 30th anniversary of the establishment of diplomatic relations between Vietnam and Laos, 5 September 1962-5 September 1992, the foreign ministers of our country and Laos have exchanged greetings messages.

The message of Comrade Nguyen Manh Cam, foreign minister of the Socialist Republic of Vietnam, says:

The establishment of diplomatic relations between Vietnam and Laos was an event of historic importance, marking a new step of development in the relations of friendship, special solidarity, and all-round cooperation between the parties, states, and peoples of our two countries. It was also a common priceless asset and a factor of supreme significance ensuring victories in the past struggle for national independence and freedom, as well as the present struggle for national construction and defense, of each of our countries.

Adhering to President Ho Chi Minh's teachings and implementing the Vietnamese-Lao treaty of friendship and cooperation and the agreements reached between party and state leaders of the two countries, the Vietnamese people pledge to join the multiethnic Lao people in preserving, consolidating, renovating, and developing the relations of friendship, special solidarity, and all-round cooperation between Vietnam and Laos for the happiness of the people in each country, as well as for peace, stability, cooperation, and progress in Southeast Asia and the world.

The message of Comrade Phoun Sipaseut, foreign minister of the Lao People's Democratic Republic, says:

I note with elation that during the past 30 years, the relations of traditional friendship, special solidarity, and all-round cooperation between Laos and Vietnam have constantly been consolidated, renovated, and developed, thereby contributing significantly to the success of the struggle for national construction and defense in each country.

In the new revolutionary stage at present, the relations of friendship, special solidarity, and all-round cooperation between Laos and Vietnam are becoming rooted increasingly deeply with new quality. The governments and foreign ministries of our two countries always support and assist each other, and closely cooperate with each

other in diplomatic activities, thus contributing significantly to enhancing the roles and prestige of the two countries in the international arena, as well as to the cause of peace, stability, and cooperation in the region and the world.

Leaders Greet DPRK Counterparts on National Day

BK1309050892 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Sep 92

[Text] On the occasion of the 44th national day of the Democratic People's Republic of Korea [DPRK], Vietnamese party and state leaders sent congratulatory messages to their Korean counterparts on 8 September.

The message from General Secretary Do Muoi and Council of State Chairman Vo Chi Cong to Comrade Kim Il-Song, secretary general of the Korean Workers Party [KWP] and president of the DPRK said: The Vietnamese people are very happy to see great achievements scored by the Korean people during the past more than 40 years, and wish the Korean people, under the KWP leadership led by Your Excellency, new achievements in socialist construction as well as in the efforts to restore peace and achieve national unification. May the relations of friendship and cooperation between the two parties, states, and peoples, further consolidate and develop.

On the same occasion Comrade Vo Van Kiet, chairman of the Council of Ministers sent a greeting message to DPRK Premier Yon Hyong-muk. SRV National Assembly Chairman Le Quang Dao and Foreign Minister Nguyen Manh Cam also sent greetings to their Korean counterparts.

Border Delineation Work With Malaysia Welcomed

BK1509042292 Hanoi Voice of Vietnam in English 1000 GMT 11 Sep 92

[Text] Vietnam and Malaysia have reached an agreement on cooperation in the overlapping sea region. In his article published by the INTERNATIONAL RELATIONS REVIEW in August, Vietnamese Deputy Foreign Minister Vu Oanh said: This is a new manifestation of the friendly relations between Vietnam and Malaysia and at the same time a manifestation of the developing tendency for cooperation in the region.

Due to geography and different ways of delineating the baseline, neighboring countries may have different ways of delineating the territorial waters. For this reason, territorial waters of neighboring countries are usually overlapping. The same thing happened to Vietnam and some Southeast Asian countries. To be more precise, Vietnam and Malaysia share their overlapping territorial waters southwest of Vietnam and northeast of Malaysia.

For years Vietnam and Malaysia and some other Southeast Asian countries have had talks on this question. These talks have gained encouraging results amid the growing tendency for cooperation in Southeast Asia and relations development between Vietnam and other countries in the region.

Malaysia and Vietnam have agreed to discuss questions about the overlapping zone concerning the two countries' only and those relating to third countries are left behind for joint talks with these countries. First of all the two countries will join in the prospection and exploration for oil on the territorial waters. The two sides also choose the most suitable way to temporarily put aside the clear-cut delineation of the overlapping zone to enter into joint prospection and exploitation for oil and gas in their territorial waters.

Vietnam's and Malaysia's decision is the most suitable and reasonable choice contributing to the strengthening of the relationships among nations and to peace and security in the region while there are still pending territorial issues between Vietnam and some other countries in the region.

Vo Tran Chi Leaves for Singapore, Malaysia

BK1309122092 Hanoi Voice of Vietnam in English 1000 GMT 13 Sep 92

[Text] Mr. Vo Tran Chi, Politburo member and secretary of the Ho Chi Minh City party committee, has left for a visit to Singapore and Malaysia. The aim of the visit is to exchange his views on a number of questions of mutual concern.

Foreign Trade Bank Joins Asian Banking Body

BK1509042892 Hanoi Voice of Vietnam in English 1000 GMT 14 Sep 92

[Text] The Vietnam Foreign Trade Bank last weekend joined the Association of Asian Banks which has headquarters and subbranches in Asian countries. It is the first time a socialist bank joins this organization.

Growth of International Banking Contacts Viewed

BK1509060692 Hanoi Voice of Vietnam in English 1000 GMT 14 Sep 92

[Text] Vietnam has recently joined the Association of Asian Banks. This is the first time that a bank from a socialist country joins the organization.

The Association of Asian Banks is a monetary organization with its headquarters and branches located in different countries in Asia. Becoming a member of the association will create favorable conditions for Vietnam to develop and build its nation. The admission of Vietnam into the association also reflects the association's acknowledgment of the positive changes occurring as a result of Vietnam's renewal program. Earlier this year officials of the International Monetary Fund spoke highly of Vietnam's achievements and its economic restoratiuon.

That is one of the reasons why many foreign banks are now interested in having relations with Vietnam. Indovina is the first joint venture bank between a Vietnam commercial bank with an Indonesian commercial bank. Its director is Edward Suriayata, a Malaysian.

Following is the VID public bank, a joint venture between Vietnam and Malaysia. Last May 4th, French banks, including Credit Lyonnais and Indosuez, began their operation in Vietnam. All foreign banks have pressed to help train banking personnel and modernize Vietnam's banks.

Canadian Industry Minister Discusses Cooperation

BK1209024092 Hanoi Voice of Vietnam in English 1000 GMT 9 Sep 92

[Text] The Canadian Government wishes to expand cooperation for mutual benefit with Vietnam in oil and gas and infrastructure development and telecommunications. This is what Mr. Michael Wilson, minister of industry, science and technology and also minister for international trade of Canada told Premier Vo Van Kiet Tuesday during a reception given to the Canadian guest by the Vietnamese premier. During his stay in Vietnam, the Canadian guest had contacts with various ministries and offices concerned. Speaking at the reception, Mr. Wilson said though there still are some subjective difficulties, Canada has encouraged Canadian oil and gas companies to invest in Vietnam. So far, 12 investment projects, many centered on oil and gas, are being undertaken in Vietnam.

In an interview, Minister Wilson had this to say about trade cooperation between Canada and Vietnam.

[Begin recording] [Wilson] Let me add that all of the trade cooperation between Canada and Vietnam is still at reasonably low levels but it has increased in a satisfactory way in the last two or three years and we see great opportunities for further growth. And, as you are aware of, there are several companies. We see good opportunities for further growth. We have companies on this visit from the oil and gas sector, transportation, telecommunications, and consultancy and engineering. These are areas that we've had some real strengths [word indistinct] from Canada. These are [word indistinct] companies. We also see these as priority areas as set out for us by the State Planning Commission yesterday. So we're trying to match our strengths with Vietnam's needs and we believe that we have done this quite satisfactorily on this visit. The level of activity that is there now can be increased. [end recording]

Minister Wilson further said:

[Begin recording] [Wilson] Petro-Canada, the major Canadian oil company (?as it stands) from government ownership, has been an important investor in Vietnam. They've drilled two offshore wells already and have plans for a third well in early 1993. (?SMC Lateral Wheatgens) has launched a project for the recovery of natural gas which is currently being flared. It's always like burning money. And we believe that the proposals that these companies have put forward which was launched yesterday with the engineering and gas certification study will be an important step forward in meeting the objectives of the government's economic development plans. We have another project in relation to the building of a bridge in southern Vietnam. A further project involving the coordination of remittances from outside of Vietnam to Vietnam together with training banking personnel. And also, two airports—one in Hanoi, one in Ho Chi Minh City—where the companies have embarked on feasibility studies. These projects are in some cases underway right now and in most cases will continue into next year. [end recording]

New Zealand Economic Delegation Begins Visit

BK1409152692 Hanoi VNA in English 1447 GMT 14 Sep 92

[Text] Hanoi VNA September 14—Mr. Philipe Burdon, minister of trade negotiations of New Zealand, head of an economic and trade delegation, is now here on a working visit as guest of the minister of trade and tourism.

He is accompanied by representatives of 28 companies in different economic sectors in New Zealand.

In a working session with Minister of Trade and Tourism Le Van Triet today, Mr. Burdon pointed out that his visit was aimed at inquiring into the economic and trade situation in Vietnam, and at looking for opportunities to make investments in Vietnam in the fields of food industry, arts article production, mining, construction, banking, law and computer technology.

For his part, Mr. Triet highlighted Vietnam's initial socioeconomic achievements in the present process of renovation. He reaffirmed his wish for promoting the cooperation and investment between the two countries.

The same day, Minister Burdon also had working sessions with the State Planning Committee, the State Committee for Cooperation and Investment, and the Vietnam Chamber of Commerce and Industry.

New Zealand Ambassador to Vietnam Philipe Gibson took part in the above-said activities.

Received by Vo Van Kiet 15 Sep

BK1509151592 Hanoi VNA in English 1429 GMT 15 Sep 92

[Text] Hanoi VNA September 15—Chairman of the Council of Ministers Vo Van Kiet received at the presidential palace here this afternoon Mr. Philipe Burdon, minister of trade negotiations of New Zealand, who is leading an economic and trade delegation on a working visit to Vietnam. Present at the reception were Minister of Trade and Tourism Le Van Triet and New Zealand Ambassador to Vietnam Philipe Gibson.

Speaking on the occasion, Minister Burdon voiced the desire of the people and Government of New Zealand to contribute to Vietnam's national construction and to the building of Asia and the Pacific into a zone of peace, friendship, and prosperity. He said that New Zealand is ready to cooperate with and assist Vietnam in such areas it has much experience as milch cow raising, reafforestation, and processing of meat, milk, and other farm products. Mr. Burdon handed over to Chairman Vo Van Kiet a note from the prime minister of New Zealand, inviting Chairman Kiet to visit New Zealand.

For his part, Chairman Vo Van Kiet highly valued the friendship between the two countries, and New Zealand's valuable experience in economic development and national construction. He expressed his hope that the bilateral cooperation, especially in economic and commercial fields, would contantly develop commensurate to the existing potentials and positions of the two countries in the region. Chairman Kiet asked Minister Burdon to convey his thanks to the New Zealand prime minister for his invitation, and said he hoped that he would visit beautiful, rich New Zealand in a near future.

German Institute Holds Trade Seminar in Hanoi

BK1209060592 Hanoi Voice of Vietnam in English 1000 GMT 10 Sep 92

[Text] The East Asia Institute of Germany on Tuesday held a seminar, entitled: Promotion of Investments and Exports in Vietnam. The seminar focused on the possibilities and prospects for cooperation in production, investment, and trade between Vietnam and Germany. The number of German enterprises, which have established relations with Vietnam, have acknowledged that Vietnam is a promising potential market. They also expressed concerns over the fact that Germany is not entering this production and trade market.

Deutsche Bank Opens Hanoi Representative Office

BK1209070492 Hanoi VNA in English 0557 GMT 12 Sep 92

[Text] Hanoi VNA September 12—Deutsche Bank AG opened a representative office in Hanoi on Sept. 10.

It is the first German financial institution to receive a licence to open a representative office in Hanoi.

A second office is to be opened in Ho Chi Minh City shortly.

Currently Deutsche Bank operates over 50 offices in 16 countries in the Asia-Pacific region. With the new office in Vietnam, the bank will be for the first time represented in Indochina.

Council of State 12 Sep Meeting Communique

BK1309152992 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Sep 92

[Text] On 12 September 1992, the Council of State held a meeting under the chairmanship of Vo Chi Cong, chairman of the Council of State.

1. The Council of State reviewed the preparatory work and detailed agenda of the first session of the Ninth National Assembly. It also offered views to a draft to be presented to the National Assembly on revised and supplementary regulations of National Assembly sessions. If approved, the draft will be applied in the first session of the Ninth National Assembly in order to improve the activities and quality of National Assembly sessions.

2. According to the recommendation of the Council of Ministers and after obtaining views from the Foreign Relations Department of the National Assembly, the Council of State approved the Agreement on the Vietnam-Iraq Consulate signed on 26 November 1990 in Baghdad.

3. The Council of State listened to a report on the 10th Non-Aligned Movement Summit in Jakarta, capital of Indonesia, on 1-6 September and activities at the summit of the SRV delegation led by Vo Chi Cong, chairman of the Council of State.

The Council of State highly valued the summit's achievements and agreed with our delegation's affirmation of the important role of the Non-Aligned Movement in the current world situation and its noble aims of peace, security, national independence and sovereignty, the democratization of international relations and economic relations, and a new world order with more fairness and equality.

4. The Council of State has decided to confer the Ho Chi Minh Order to Buddhist Venerable Thich Duc Nhuan, leader of the Vietnamese Buddhist Association and member of the Vietnam Fatherland Front Central Committee for his contributions to the construction and consolidation of people's unity and to the national revolution.

Le Quang Dao Inspects Song Be Activities

BK1409114592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Sep 92

[Text] On 6-7 September 1992 Comrade Le Quang Dao, vice chairman of the Council of State and chairman of the National Assembly, paid a working visit to Song Be Province.

After listening to reports on activities of people's committees at different levels in the province on the implementation of socioeconomic planning in the first six months of this year, Chairman Le Quang Dao hailed efforts and achievements scored by cadres and people in

Song Be. For the future he advised that the province should increase animal breeding and industrial tree planting. Together with economic development planning, the province needs to build and strengthen its national defense work, especially in the bordering areas. And it also needs to improve its infrastructure and people's education level.

Regarding the work of the Vietnam Fatherland Front, the chairman said it is an important part of the community work of the party. All party organizations and government offices at all levels need to intensify their leadership in the work and create favorable conditions for mass organizations to develop the combined force of the entire people in achieving socioeconomic targets set by the Seventh National Party Congress.

Chairman Le Quang Dao visited many state and private economic enterprises in the province. He also held working sessions with the standing party and people's committees of Tri An District.

Doan Khue Attends Conference on Officer Training

BK1409113392 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 6 Sep 92

[Text] The Ministry of National Defense recently held a conference to review tasks in training military officers. The conference appraised training activities of military officer schools and colleges during the past period, pointed out shortcomings and weaknesses, and discussed measures to overcome them in the future.

Addressing the conference, General Doan Khue, member of the Communist Party of Vietnam Central Committee Political Bureau and minister of national defense, commended cadres, teachers, and students of these schools and colleges for their efforts and achievements in teaching and learning. He stressed the need to promote coordination between schools and military units as well as between schools and colleges to effectively fulfill the training task. It is necessary to ensure that all students, when graduated, acquire sound knowledge and capability, good quality in leadership and ethics, and the ability to get along and work with combatants in his units, thereby contributing to building a modern and standard army.

Doan Khue Directs Defense, Security Conference

BK1409135192 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 9 Sep 92

[Text] According to the Army paper QUAN DOI NHAN DAN, from 4-7 September in Hue City the fourth military region party military commission and military command convened a conference to review the initial results of the second phase of the 1990-92 drive to uphold the sense of security, collective mastery, and combat readiness among villages, subwards, and primary installations. General Doan Khue, member of the Political Bureau, deputy secretary of the party Central Committee Military Commission, and minister of national defense, attended and directed the conference.

Noteworthy is the fact that for two years now party committee echelons, administrative bodies, military organs, departments, sectors, and mass organizations in the Fourth Military Region have grasped more and more clearly the contents of the Political Bureau resolution on all-people national defense in the new situation. As a result, they have unanimously agreed with the need to take uniform measures to oversee the drive to uphold the sense of security, collective mastery, and combat readiness among villages, subwards, and primary installations. To date, nearly one-third of villages, subwards, and primary installations in the Fourth Military Region have met the five requirements set for the drive for security, a sense of collective mastery, and combat readiness. A number of other primary installations have met two or three requirements, and the ratings of many villages and subwards have been upgraded from poor to good.

Speaking on this occasion, Gen. Doan Khue warmly commended the localities for their efforts and achievements. He also pointed out a number of shortcomings that need to be overcome in the drive to uphold the sense of security, collective mastery, and combat readiness among villages, subwards, and primary installations. He conveyed the contents of the party Central Committee Third Plenum resolution to the conference and attached special importance to national defense and security arrangements. He also stressed the strategically important role of the Fourth Military Region and the urgent, long-term tasks that need to be implemented to ensure national defense and security at the grass-roots level.

Vinh Long War Veterans Group Holds Congress

BK1509101992 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Sep 92

[Text] The War Veterans Association [WVA] in Vinh Long Province held its first congress with the participation of 96 delegates, representing more than 3,000 war veterans in the province. The congress was held to review the association's activities in the last two years and the 1992-1996 planning.

The WVA branches in 72 villages and subwards of the province have shown their leading role in creating new images for the localities and in conciliation of disputes among the public. The branches have also worked together with the local armed forces to patrol the areas.

However, the WVA in Vinh Long is still slow in admitting new members. Its membership only accounts for 18.21 percent of the province's present war veterans, and about 20 percent of WVA grass-roots branches are weak in their activities. From now until 1996, the association will strive to gather 70 percent of local war veterans and improve itself with more regular and improved activities.

Ha Giang War Veterans Group Holds Congress

BK1509131692 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Sep 92

[Text] Recently the War Veterans Association [WVA] in Ha Giang Province held its first congress. Comrade Hoang Thieu, secretary of the provincial party committee and representative of the 2d Military Region, and Comrade Lieutenant General Le Thuy, representative of the WVA Provisional Executive Central Committee, addressed the congress.

The congress delegates reviewed the association's work in the past and planned its activities for the coming period. The congress elected 17 members to the WVA Executive Committee with Senior Colonel Nguyen Quang Binh as president and three delegates for the upcoming WVA National Congress.

Hanoi To Raise Funds for Economic Modernization

BK1509154392 Hanoi VNA in English 1441 GMT 15 Sep 92

[Text] Hanoi VNA September 15—Hanoi plans to raise at least 1.5 billion dollars from domestic and foreign sources between now and the year 2000 for a proposed master plan of socioeconomic development which is expected to make the city one of the main economic centres of the country, said Deputy Mayor Dinh Hanh last Saturday.

A minimum of 700 million dollars is needed in the next three years, Mr. Hanh was [quoted] by VIETNAM NEWS as saying at a press briefing. This amount is essential for infrastructure development, housing construction [word indistinct] organisation. The deputy mayor, who is responsible for the master plan, said that domestic resources, esecially collective and private ones, should be mobilised to the full, and one measure will be to put on sale public assets and to rent lands that are under-utilised.

As a move to increase the municipal budget while cutting unnecessary spendings the city will reorganise poorly operating businesses under its own jurisdiction as well as the budgetary system at village and ward levels. At the same time licences will be granted to joint-stock commercial banks so as to generate more funds for the growing private production sector. In this connection the city has asked the government to give preferential treatment to domestically-invested undertakings as it is doing regarding foreign-invested joint ventures.

The city has also requested the government to give softer terms to prospective foreign-investors. Thus land rent should be lower in Hanoi than in Ho Chi Minh City and Ba Ria-Vung Tau Province where land rent is highest in the whole country. Moreover, big investment projects should be allowed to rent land over a longer period for better operation. Another proposed measure will be to lower prices charged foreign-invested undertakings for electricity and water supplies to the same rates as are applied to domestic enterprises operating in the same industries.

Rice Exports Said Restricted To Boost Prices

BK1609024992 Bangkok THE NATION in English 16 Sep 92 p B3

[Text] The Vietnamese government has imposed restrictions on rice exports from August this year as part of an effort to raise prices, according to the VIETNAMESE INVESTMENT REVIEW, Sept 7-13.

The paper said that as of August, enterprises other than those designated by the Ministry of Trade will not be allowed to export rice. The decree by the Ministry of Agriculture and Foodstuff Industry is intended to restore order to the rice exporting business.

The move is seen as an effort to raise the price of rice, which has been driven down by competition among Vietnamese companies. Because they have no cash to buy farmers [as published], companies often ask for advance payments from rice brokers, and in return have had to cut prices by as much as US$60 per tonne.

Vietnam exported more than 800,000 tonnes of rice during the first seven months of this year. This does not include unknown amounts of rice sold across its northern border. Vietnam has become the third biggest rice exporting country in the world. But domestic competition has driven prices down, often US$40-60 per tonne lower than international prices. Earlier this year, when farmers of the Mekong River Delta were unable to sell their stocks despite a bumper spring crop, the government decided to offer soft loans to rice exporters as a form of indirect subsidy.

Overwhelmed by offers from different companies, international rice brokers exploited the situation by reducing purchasing prices. The Ministry of Commerce, in conjunction with the Ministry of Agriculture and the Association of Rice Exporters, decided in May to limit the number of rice exporting companies to 25.

Projected exports this year have been increased from 1.3 million tonnes to over 1.45 million tonnes by the Council of Ministers. More than 600,000 tonnes of rice are expected to [be] exported during the last five months of this year.

It is expected that the Mekong River Delta will harvest 3.6 million tonnes of unhusked rice this main crop. The surplus 1.3 million tonnes will include 700,000 tonnes for export. The Ministry of Agriculture has asked the State Bank to have VND [Vietnamese dong] 700 billion ready to buy up the surplus to stabilise domestic rice prices.

Rice Exports Reportedly Reach Record Levels

BK1509043092 Hanoi Voice of Vietnam in English 1000 GMT 14 Sep 92

[Text] By mid-August food export companies throughout the country had exported 970,000 tons of rice, a record in the past 13 years. Of this amount, more that 50 percent was high quality rice with between 5 and 10 percent broken rice.

In July and August the Mekong River delta, the biggest rice producer of the country, exported 340,000 tons.

Australia

Spokesman Regrets Solomon Islands Refusal of Visit

BK1609041092 Hong Kong AFP in English
0343 GMT 16 Sep 92

[Text] Sydney, Sept 16 (AFP)—Australia abandoned a goodwill visit to Honiara on Wednesday after the Solomon Islands Government refused access to a visiting warship, apparently to protest Canberra's defence links with Papua New Guinea, official sources said.

Honiara's action followed a border raid by Papua New Guinea troops in which two people were shot dead and a three-year-old child injured in the Shortland Islands, northwest of Honiara.

A Foreign Affairs Department spokesman in Canberra said the patrol boat HMAS Bendigo, due in Honiara on Friday for a three-day visit, had been diverted to another port in the region after being turned away by Honiara.

"We have had a formal request from the Solomon Islands Government that the visit not proceed and the ship no longer has clearance," the spokesman said.

"The visit has been called off and we regret that."

Honiara has lodged an official protest with Papua New Guinea over the border raid and Solomon Islands Prime Minister Solomon Mamaloni has also strongly attacked Australia over the incident.

Mamaloni said his people questioned Canberra's sincerity because it was supplying the lethal weapons with which Papua New Guinea commandos killed Bougainvilleans and Solomon Islanders.

He has also criticised the "genuineness" of Australia's High Commission officials in Honiara.

Foreign Minister Gareth Evans defended the officials yesterday, describing Mamaloni's comments as unfounded and puzzling.

The Foreign Affairs Department spokesman said that while no reason had been given for refusing access to the Bendigo, it was assumed the action was part of the criticism from Honiara.

Australia did not accept the criticism and categorically denied a claim by Honiara that equipment supplied by Australia had been used in the recent incursion into Solomons territory, he added.

"We believe the best way to resolve this difficulty would be for the two countries, Papua New Guinea and Solomon Islands, to get together in bilateral discussions aimed at resolution."

The spokesman added that Australia had not received any request from the Solomons for help in patrolling its border as had been reported, "but would look at any request for assistance" in that regard.

Mamaloni reportedly said in Honiara that Australian troops could help protect the border and make sure Papua New Guinea forces did not cross the short sea channel from the rebel-dominated island of Bougainville to the Shortland Islands.

Papua New Guinea troops have on several occasions breached the border to try to combat the smuggling of supplies to Bougainvillean rebels through the blockade imposed by Port Moresby.

Australia has given the Solomons two navy patrol boats since 1986, with the last delivered in November 1991, as well as five high-speed patrol craft to help the country police its 1,013,670 square-kilometre (405,470 square-mile) exclusion zone.

During its annual defence cooperation talks with the Solomon Islands in May this year, Australian officials offered to help the Solomons with its border surveillance.

Meanwhile, the Solomons National Security Headquarters said in a statement that it had approved extra funding for border patrols.

It said that in addition the government would consider cutting all diplomatic ties with Port Moresby over the raid, and could instead recognise Bougainville as an independent country.

Mamaloni has also suggested expelling all members of the rebel Bougainville Revolutionary Army (BRA) from the Solomons, and declaring a state of emergency along the border area.

Minister To Express Concern Over PNG Raid

BK1609034692 Melbourne Radio Australia in English
0300 GMT 16 Sep 92

[Text] Australia is to restate its concern about controls on Papua New Guinea's military. The Australian minister for trade and overseas development, John Kerin, is scheduled to visit Port Moresby tomorrow where he is expected to express Canberra's concerns about the killing of two Solomon Islanders in a cross-border raid by the Papua New Guinea Defense Force. Officials say Mr. Kerin will repeat the message given last month by the foreign minister, Gareth Evans, that the civilian government in Papua New Guinea must assert full control over its soldiers.

Mr. Kerin will be in Papua New Guinea to prepare final details of an agreement on aid to Port Moresby for the next five years. Mr. Kerin is to exchange letters on Australian aid with Papua New Guinea's deputy prime minister and finance and planning minister, Sir Julius Chan. After a review by officials over the past 12 months, Australia and Papua New Guinea have agreed to further speed up the change from direct budget aid to project aid.

Envoy in Jakarta Assured Regarding Wheat Import

BK1509035292 Melbourne Radio Australia in English 0300 GMT 15 Sep 92

[Text] Indonesia has reiterated that its purchases of Australian wheat will not be affected by the Bush administration's attempts to expand exports of subsidized American grain. Ian Macintosh reports that the Australian ambassador in Jakarta, Philip Flood, says he has been assured by the Indonesian Government that wheat imports from Australia will not be reduced.

[Begin recording] [Macintosh] The envoy described assurances received from both the responsible Indonesian Government minister, Mr. Bustanil Arifin, and the Bogasari Flour Mill, as important and highly valued. Australia currently provides just over 40 percent of Indonesia's wheat import, shipping 850,000 tons in the last financial year. Mr. Flood said Jakarta was not going to undermine that trade.

[Flood] Indeed, Bogasari told me that they believe that in 1993, they will take no less and probably more wheat than they have taken this year.

[Macintosh] Asked if the assurances he had been given would be binding on Indonesia if it was offered cheaper U.S. grain, Mr. Flood said much depended on the policies actually pursued by Washington, but he said there was no case for it including Indonesia among new markets for subsidised American wheat. [end recording]

Meanwhile, Radio Australia's Sydney office reports that America has also offered Pakistan 220,000 tons of subsidized wheat under its Export Enhancement Program. The offer also threatens Australia's current wheat market as Australian growers sell more than 400,000 tons of wheat to Pakistan each year.

New Caledonia

Few Citizens Interested in Vote on European Unity

BK1609022892 Hong Kong AFP in English 0200 GMT 16 Sep 92

[Text] Noumea, Sept 16 (AFP)—Way out here in the South Pacific, New Caledonians will get the chance Sunday to vote on European unity. Not surprisingly, few of them care.

Never mind that France is 22,000 kilometers (13,640 miles) and half a world away. By virtue of being a French overseas territory, New Caledonia— home to 200,000 people—still gets to vote on the Maastricht Treaty.

But debate over a single European currency and free movement between the European Community's 12 member states has hardly aroused passions on these sun-soaked islands where native Melanesians yearn for independence.

Local branches of major French political parties have been discreet. No public meetings on Maastricht have taken place, and observers expect voters to abstain in large numbers, especially in the countryside.

The Kanak National Socialist Liberation Front (FLNKS), which favors New Caledonia's independence, is leaving its activists free to choose between the yes or no options, if they bother to vote at all.

Among those who want to see New Caledonia remain French, Jacques Lafleur, leader of the Rally for New Caledonia in the Republic, personally is "for a Europe of nations, and against a federal Europe."

His party, however, has not declared a position.

The Rally's first vice president, Dick Ukeiwe, who sits in the French senate, said last week he would vote in favor of Maastricht, "like Jacques Chirac," the former French conservative prime minister.

Two far-right organizations, the Caledonian Front and the National Front, are supporting the no option.

The Popular Congress, a small, radical pro-independence group that stands apart from the FLNKS, is calling for a boycott of the referendum, fearing what it calls the "danger of New Caledonia's integration into Europe, thus its colonization by the 12 European Community members."

It need not worry too much.

Only the National Front has put up posters, and no roadside billboards carry referendum messages. Official notice boards are virtually bare of Maastricht-related matter.

RFO, the state-run television and radio network that is New Caledonia's sole broadcaster, has every night for the past week carried official referendum news direct by satellite from France.

More interest is being given to the French senate elections on September 27, a week after the referendum. A close race is expected between the Rally and the FLNKS, the latter fielding—for the first time—a candidate for New Caledonia's sole senate seat.

Visited by Britain's Captain James Cook in 1774, New Caledonia was annexed by France in 1853. One-third of its people are of French origin, another fifth Indochinese and Javanese, and the remainder Melanesians.

France has promised a referendum on self-determination in 1998, a plan agreed to by Melanesian and European groups who previously clashed over the delicate issue of independence.

New Zealand

Bolger To Push for UN Security Council Seat

BK1609030092 Hong Kong AFP in English 0238 GMT 16 Sep 92

[By Michael Field]

[Text] Wellington, Sept 16 (AFP)—Nearly three years of ministerial and diplomatic effort reach a climax next week when Prime Minister Jim Bolger flies to New York to lead New Zealand's final charge for a seat on the U.N. Security Council.

Two, two-year seats are up for grabs in November with New Zealand competing against Spain and Sweden.

But with New Zealand's foreign aid levels dropping and a lacklustre foreign policy, Bolger faces a difficult task.

Underlining the importance the government attaches to the issue, Bolger last weekend called home Foreign Minister Don McKinnon from Turkey where he was en route to Europe and North America to raise support for New Zealand's bid. Bolger said he would fly to New York to do the campaigning himself.

A spokesman for the prime minister said Wednesday that McKinnon had not been called home because of any dissatisfaction over his lobbying efforts.

"Mr. McKinnon has been anxious for the prime minister to go to the United Nations for sometime...and Bolger's visit will show New Zealand is genuinely serious," the spokesman said.

New Zealand previously sat on the council in 1954-55 and briefly in 1966, while Sweden sat on it in 1957-58 and 1975-76 and Spain 1969-70 and 1981-82.

In 1990, then-Labour Prime Minister Geoffrey Palmer began the latest bid for a seat, with Bolger's National Party government continuing the push, supported by the South Pacific states and, reportedly, Australia and Canada.

McKinnon says a seat on the council would mark New Zealand's return to the international mainstream after Labour's anti-nuclear policy, which the current government is trying to reverse.

Auckland University political scientist Steve Hoadley said Spain had one seat sewn up, leaving Sweden and New Zealand to battle it out for the second.

"Sweden has presence and size and Europeaness, closeness and aid and wealth and a very good record in the U.N., and New Zealand has the ability to speak for the small and distant countries of the Asia-Pacific region and the Commonwealth. It comes down to rating apples against oranges. "New Zealand will probably run a close third," he added.

The council, Hoadley said, was dominated by Europe, and New Zealand was pitching its claim as an Asia-Pacific nation.

"New Zealand is a member of APEC [Asia-Pacific Economic Cooperation], it represents the South Pacific that is otherwise quite voiceless, it represents the very small countries. And if the U.N. means anything, it's to balance out might against right, and right means numbers and usually smaller countries."

Hoadley said it was unclear how Commonwealth membership would aid New Zealand.

"It could be Swedish money against the appeal of the Commonwealth—its an interesting test, he said."

Among local doubters is the aid organisation Oxfam New Zealand, whose director, Phil Twyford, said New Zealand simply did not deserve the seat.

"We haven't got any problem with the idea of New Zealand going for a seat on the council as such, we just don't know what New Zealand would stand for there. It's not known what New Zealand's distinctive contribution will be, whether it will speak for the small nations of the Pacific or what."

New Zealand's official aid, as measured by the Organisation for Economic Cooperation and Development (OECD), was small and dropping as a percentage of gross national product (GNP).

"New Zealand is appalling in international terms, we give very little," Twyford said.

New Zealand's curious position was highlighted earlier this year during the Earth Summit in Rio de Janeiro, which Bolger refused to attend.

While his environment minister Rob Storey was signing a declaration to increase aid, the government was actually cutting back.

The government pledged to earmark 142 million New Zealand dollars (77.4 million U.S.), or 0.2 percent of GNP, for official aid this financial year, down from 0.23 percent the previous year and a high in 1986 of 0.4 percent.

Solomon Islands

Government To Increase Patrols Along PNG Border

BK1609052492 Melbourne Radio Australia in English 0500 GMT 16 Sep 92

[Text] The Solomon Islands Government has approved funds for increased military patrol along its common sea border with Bougainville. A statement from the Solomons National Security Headquarters said the extra funding

would improve security and surveillance along the controversial border with Papua New Guinea [PNG].

The move follows a raid into Solomons territory by PNG commandos last weekend in which two people were killed and one wounded. The border between Bougainville and the Solomons has been constant source of tension between the two countries since the campaign for Bougainville secession from PNG began in 1989.

Solomon Islands has lodged a diplomatic protest with PNG over the latest incident. It called for an apology, compensation for the relatives of those killed, and assurances that a man kidnapped by PNG troops would be returned unharmed.

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